

## Impressum

### Publication:

Quarterly Information  
Bulletin of the Swiss-  
Chinese Chamber  
of Commerce

### Circulation:

In print approx. 1'200  
Ex. and also on the  
Website.  
To the Members of the  
Chamber and of the  
Chapters in Geneva,  
Lugano, Beijing and  
Shanghai; among them  
the leading banks,  
trading companies, in-  
surances and industrial  
firms. To Trade Or-  
ganisations, Govern-  
ment Departments,  
leading Chambers of  
Commerce in Switzer-  
land, Europe and  
China.

### Responsible Editors:

Susan Horváth,  
Managing Director  
Paul Wyss,  
Vice President

Swiss-Chinese Cham-  
ber of Commerce  
Alderstrasse 49  
CH-8008 Zurich  
Switzerland  
Tel. 01 / 421 38 88  
Fax 01 / 421 38 89  
e-mail: [info@sccc.ch](mailto:info@sccc.ch)  
Website: [www.sccc.ch](http://www.sccc.ch)

### Printing:

werk zwei  
Print + Medien  
Konstanz GmbH  
P.O. Box 2171  
CH-8280 Kreuzlingen  
Switzerland

### Advertising:

Conditions available  
at the Swiss-Chinese  
Chamber of Commerce

### Deadline for issue:

2/01 July 1st  
3/01 September 1st  
4/01 December 1st

# Contents

## Board of the Chamber and its Chapters

2-3

## Editorial

Guiding SMEs into China

5

## Chamber News

Activity Report

6

Next Events

6-7

New Members since January 2001

7

Resignations of Board Members

7

New Swiss Chinese Chamber of Commerce in China

8

New President at Geneva Chapter

9

Recognitions for Outstanding Contributions

9-10

Constitution of Board

10-11

## Economy

How China Performed in 2000

12-13

Recent Foreign Investments / Joint Ventures

13-16

In Brief

16-18

Various Short News

18-20

The New Five Year Plan

21

Overview and Outlook on Shanghai's Economy

22-24

## News from Members

Success in China through Human Resources

26-27

ABB to Increase Presence in China

28

Franke Expansion in China and in the Philippines

28

Agie Charmilles Opens New Sales Company in Shanghai

30-31

Bank of China Signs Agreement with SCS

31

## Organisations Report

Hong Kong with Strong Show in Basle

32-33

The WWF in the Middle Kingdom

34-38

## Services

Reading Suggestions

38-39

Membership Card Values

40

# CONTENTS

# Board of the Swiss-Chinese Chamber of Commerce

## Executive Committee:

### President:

**Dr. Manfred Zobl**

CEO and President of the Corporate Executive Board, Swiss Life, Zurich

### Vice Presidents:

**Dr. Jörg Wolle**

CEO, SiberHegner Holding Ltd., Zurich

**Paul Wyss**

Erlenbach

### Treasurer/Vice President:

**Dr. Daniel V. Christen**

Vice President at SGS Société Générale de Surveillance S. A., Geneva

### Secretary:

**Franziska Tschudi**

CEO, Wicor Holding AG, Rapperswil

### Members:

**Dr. Theobald Tsoe Ziu Brun**  
**Urs Hecht**

Attorney-at-Law, Brun studio legale e notarile, Lugano

CEO, Edward Keller Ltd., Hong Kong

designated Head Asia, Edward Keller Ltd., Zurich

Managing Director of Chamber

**Susan Horváth**

**Esther Nägeli**

Attorney-at-Law, LL. M., Partner, KPMG Fides, Zurich

**Dr. Marc Ronca**

Attorney-at-Law, Partner, Schellenberg Wittmer, Zurich, Geneva, Zug

## Honorary Members:

**Dr. Uli Sigg**

former Swiss Ambassador to China, Mauensee

**Dr. Marc Ronca**

Past President of Chamber, Zurich

## Board:

**Maurice Altermatt**

Head of External Affairs Department,  
Federation of the Swiss Watch Industry, Biel

**Ester Cramer**

Confiserie Sprüngli AG, Zurich

**Dr. Markus Dennler**

CEO, Winterthur Life & Pensions, Winterthur

Member of Executive Board CS Financial Services

**Markus Eichenberger**

Manager ExpoLogistics overseas, Natural AG, Basle

**Dr. Richard Friedl**

Vice President, ABB Switzerland, Baden

**Bruno W. Furrer**

CEO, BF Bruno Furrer Consultant, Zurich

**Michael W. O. Garrett**

Executive Vice President, Nestlé S. A., Vevey

**Alfred Gremli**

Managing Director, Credit Suisse Group, Zurich

**Peter Huwyler**

Head International Banking, Member of the Board,  
Zürcher Kantonalbank, Zurich

**Dr. Beat In-Albon**

Vice President, Lonza Ltd., Basle

**Alexandre F. Jetzer**

Member of the Board of Directors,  
Novartis AG, Basle

**Dr. Beat Krähenmann**

Director, F. Hoffmann-La Roche Ltd., Basle

**Pierre L. Ozendo**

Member of the Executive Board, Swiss Re Group, Zurich

**Nicolas Pictet**

Partner, Pictet & Cie., Geneva

**Dr. Erwin Schurtenberger**

former Swiss Ambassador to China, Minusio

**Erwin A. Senn**

CEO, T-Link Management Ltd.

Worldwide Transportation Engineering, Freienbach

**Dr. Kurt E. Stirnemann**

CEO and Board Delegate of AGIE CHARMILLES Group, Losone

**Peter G. Sulzer**

Executive Director, Wärsilä NSD Corporation, Zurich  
(former New Sulzer Diesel)

**Marco Suter**

Chief Credit Officer, Member of the Group Managing Board,  
UBS AG, Zurich

**Thomas P. van Berkel**

President, Nitrex Ltd., Zurich

## Geneva Chapter

### President:

**Dr. Daniel V. Christen**

Vice President at SGS Société Générale de Surveillance S. A., Geneva

### Vice President:

**Maître Philippe Knufer**

Lawyer, LL. M., HSCB Republic, Geneva

### Secretary:

**Dominique Perregaux**

CLSA (S-E Asia) Ltd., Geneva

### Treasurer:

**Bernard Büschi**

Chairman, Bernard Büschi & Cie., S. A., Geneva

**Board:**

**Marcel Ch. Clivaz**  
**Amy Qihong Li**  
**Nicolas Pictet**  
**Jean-Luc Vincent**  
**Herbert Schott**  
**Jean-Nicolas Thalmann**  
**Yafei Zhang**

President, Swiss Hotel Association, Crans-Montana  
 Négoce International, Credit Suisse, Geneva  
 Partner, Pictet & Cie., Geneva  
 President, Salon International des Inventions de Genève  
 Manager, Hôtel Intercontinental, Geneva  
 Director, O. P. I. (Office de la Promotion Industrielle), Geneva  
 Assistant de Direction, Shanghai Overseas, Geneva

**Lugano Chapter****Chairperson:**

**Dr. Theobald Tsoe Ziu Brun** Attorney-at-Law and Notary, BRUN Studio legale e notarile, Lugano

**Executive Committee Members:**

**Erich Bär** Plant Manager, Agie Ltd., Losone  
**Xujing Chen** Lugano  
**Walter Landolt** Attorney-at-Law, Lugano

**Legal Chapter Zurich****Chairperson:**

**Esther Nägeli** Attorney-at-Law, LL. M., Partner, KPMG Fides, Zurich

**Legal Chapter Geneva****Chairperson:**

**Maître Philippe Knupfer** Lawyer, LL. M., HSCB Republic, Geneva

**Here for You****in Switzerland:****Swiss-Chinese Chamber of Commerce**

Alderstrasse 49  
 CH-8008 Zurich  
 Phone +41-1-421 38 88  
 Fax +41-1-421 38 89  
 E-mail [info@sccc.ch](mailto:info@sccc.ch)  
 Website [www.sccc.ch](http://www.sccc.ch)

**Chambre de Commerce Suisse-Chine**

Rue du Vieux-Collège 8  
 Case postale 3135  
 CH-1211 Genève 3 Rive  
 Phone +41-22-310 27 10  
 Fax +41-22-310 31 45  
 E-mail [sccc@swissonline.ch](mailto:sccc@swissonline.ch)  
 Website [www.sinoptic.ch/scccgeneva/](http://www.sinoptic.ch/scccgeneva/)  
 Office hours Monday–Friday, 9.00–11.30 h

**Camera di Commercio Svizzera-Cina**

c/o Brun Studio Legale e Notarile  
 Via Ariosto 6  
 Case postale 2298  
 CH-6901 Lugano  
 Phone +41-91-913 39 11  
 Fax +41-91-913 39 14  
 E-mail [info@brunlaw.ch](mailto:info@brunlaw.ch)

**Legal Chapter Zurich**

c/o KPMG, Zurich  
 Esther Nägeli, Chairperson

Phone +41-1-249 30 07  
 Fax +41-1-249 23 23  
 E-mail [enaegeli@kpmg.com](mailto:enaegeli@kpmg.com)

**Legal Chapter Geneva**

c/o HSCB Republic, Geneva  
 Maître Philippe Knupfer, Chairperson  
 Phone +41-22-705 56 32  
 Fax +41-21-734 22 13

**in China:****Swiss Chinese Chamber of Commerce Beijing**

c/o Embassy of Switzerland  
 Mrs. Lei Xin, Assistant  
 Sanlitung Dongwujie 3  
 Beijing 100600  
 Phone +86-10-6532 1515  
 Fax +86-10-6532 1515  
 E-mail [scccbei@public.bta.net.cn](mailto:scccbei@public.bta.net.cn)  
 Website [swisschinacham.org](http://swisschinacham.org)

**Swiss Chinese Chamber of Commerce Shanghai**

c/o Credit Suisse First Boston, Shanghai  
 Peter A. Marti, President  
 17/F South Tower  
 Shanghai Stock Exchange Bldg.  
 No. 528 Pu Dong Road (S)  
 Shanghai 200120  
 Phone +86-21-6881 8418  
 Fax +86-21-6681 8417  
 E-mail [peter.a.marti@csfb.com](mailto:peter.a.marti@csfb.com)

Anzeige  
Darier Hentsch & Cie  
4c



## Guiding SMEs into China

It is a well known fact that the bulk of the huge foreign direct investments in China comes from big multinational companies and that Small and Medium sized Enterprises (SMEs) represent only a fraction of the total inflow. The reason is that most SMEs lack the human and financial resources to tackle a far distant and difficult market like China. On the other hand, they do face pressures to expand beyond national boundaries as competition at home intensifies. Indeed, their multinational customers frequently demand that they follow them to overseas markets as trusted suppliers of parts on the spot.

European governments and the EU Commission have been aware of the problem for some time and have taken measures to assist SMEs in entering the Chinese market. Various financing schemes have been put up, inspection trips to China and a multitude of seminars have been organized. This applies also to Switzerland where the Government some years ago established the Sino-Swiss Partnership Fund (SSPF) offering equity financing for joint ventures with Chinese partners. More recently the Swiss Centre Shanghai was set up to provide business consultancy and office facilities to Swiss SMEs.

On May 17th a large Sino-Swiss Investment Forum in Zurich, under the patronage of the Chinese Ministry of Foreign Trade and Economic Cooperation (MOFTEC), the Federal Department of Economic Affairs/State Secretariat for Economic Affairs (EDA/seco) and the Swiss Business Federation *economiesuisse*, offers business opportunities for Swiss SMEs in China. Finally, seco is planning to send a large delegation to China in November focussing on such sectors as environmental protection, energy, transport, food processing, biotechnology and medical instruments.

The Chamber welcomes these initiatives and stands ready to support its members with competent advice.

Readers will find a report on the Annual General Meeting in this issue. It gives me great satisfaction to see the Chamber getting ever stronger and at this point I wish to thank all those who contribute to its success. Special thanks go to two of our Vice Presidents who retired this year, namely Hilda Rochat and Dr. Hans Boller. Please see the special note in this Bulletin.

Manfred Zobl  
President

# Activity Report



Dear Members, dear Readers

At this year's General Assembly the Chamber welcomed some seventy members and high-ranking Swiss and Chinese guests. The State Secretariat of Economic Affairs (seco) was represented by Philippe Reich and the Federal Department of Foreign Affairs by Dr. Hans Jakob Roth, Claudio Mazzucchelli and Emil Wyss. Former Swiss Ambassador to China and founder of our Chamber, Dr. Uli Sigg, and Andreas W. Keller, Chairman of the Board of Diethelm Keller Holding Ltd. were welcomed as guests of honour.

China was prominently represented by H.E. Chinese Ambassador Wu Chuanfu, Economic and Commercial Counsellor Wu Juren and Consul General Li Duanben.

Seco presented a report on the record CHF 3.703 billion bilateral trade in the year 2000, showing an increase of 41.7 % of Swiss exports to China over 1999, and a growth of 27.8 % of imports from China, resulting in a surplus in China's favour of CHF 898 billion. Also, trade between Switzerland and Hong Kong totalling in CHF 4.737 billion was booming, with an increase of Swiss exports of 31.9 % and 36.3 % of imports from Hong Kong.

Guest speaker Andreas W. Keller, presented interesting reflections on "The New World is Getting Old, the Old World is Getting New", interspersed with famous Chinese stratagems.

The General Assembly approved the Chamber's activity report for 2000 which was marked by such highlights as the 50th anniversary of the Swiss-Chinese diplomatic relations and the 20th anniversary of the Chamber.

The accounts for 2000 closed with a surplus, achieved by an increase in events, advertisements and business service on the one hand, and by strict cost control on the other hand.

A number of changes in the Board and the Executive Committee were approved as follows:

## Resignations from the Board

Dr. Hans Boller-Wu	Vice President of the Chamber
Hilda Rochat	President of Geneva Chapter
Dr. Thomas Wellauer	CEO, Winterthur Insurance Company

## New elections to the Board

Dr. Daniel V. Christen	Vice President, SGS Société Générale de Surveillance SA
Dr. Markus Dennler	CEO, Winterthur Life & Pensions and Member of the Executive Board of CS Financial Services
Susan Horváth	Managing Director of the Chamber

For the composition of the Executive Committee we refer to page 2 of this issue. PricewaterhouseCoopers were re-elected as auditors. Those readers who wish to receive a full report can ask the Chamber for the Report 2000. On January 1, 2001, a total of 456 members were registered at the Chamber in Switzerland and approximately 165 in China.

The Board of the Geneva Chapter appointed Dr. Daniel V. Christen, Vice President at SGS Société Générale de Surveillance SA, as new President, succeeding Hilda Rochat, who retired.

We wish to give a warm welcome to the new Board members and would like to thank all those who have contributed to the successful development of the Chamber in the past.

On a personal note, I wish to thank the Board and the members attending the General Assembly for electing me as a member of the Board. I feel honoured and greatly encouraged by this nomination.

Susan Horváth  
Managing Director

## Next Events

### Chinesischer Kulturabend

**Hotel Renaissance, Glattbrugg**  
**Samstag, 16. Juni, ab 16.00 Uhr**

Musikalische Vorführungen mit Tänzen etc., Interessensstände zu diversen Themen wie Medizin, Reisen, Kochen etc.

Eintrittspreis inkl. Vorführungen, Essen und Getränke:  
CHF 35.- Erwachsene, 10.- Kinder  
Anmeldungen an: Tang Ren, Tel. 052-223 20 06

## Business Meeting with Jiangsu Delegation

Friday, June 22

ca. 10.00 – 14.00 inkl. Lunch

at OSEC, room “Europa”

Stampfenbachstrasse 85, Zurich

High-ranking Business Delegation headed by  
**Party Secretary Hui Liangyu of Jiangsu Province**

Invitation will follow.

## 3rd Zurich International Forum on Chinese Business Law

Tuesday, June 26

9.00 – 17.20 inkl. Lunch and Reception

ZunftHaus zur Zimmerleuten, Zurich

Invitation already sent out.

# Resignations of Board Members

### Dr. Hans Boller, Vice President

With his resignation at the Annual General Meeting of the Chamber in April Hans Boller ended 18 years on the Board, making him the longest-serving member. When the Chamber was founded in 1980 at the initiative of Dr. Uli Sigg, the two men frequently met in Beijing where Dr. Sigg negotiated the Schindler joint venture, and Hans Boller worked as correspondent for Swiss and German newspapers.

When Hans Boller returned to Switzerland in 1983 Dr. Sigg asked him to join the Board. Ever since Hans Boller took a keen interest in the affairs of the Chamber and contributed actively to its development.

The Board expresses its warm thanks to Hans Boller for many years of strong support.

### Ms. Hilda Rochat, President Geneva Chapter

In 1995 Hilda Rochat was instrumental in arranging the merger of the Geneva-based Swiss-Chinese Association with the Swiss-Chinese Chamber of Commerce and in establishing the Geneva Chapter. She subsequently became President of the Chapter with more than a hundred members. She was very active in organizing conferences with China-related topics and visits to Geneva by Chinese delegations. She maintained close personal contacts with Chinese diplomats in Switzerland and repeatedly travelled to China.

In accepting Hilda Rochat's resignation at the Annual General Meeting in March 2000, the Board thanked her for her untiring work for the Geneva Chapter.

# New Members

since January 2001:

## Zurich

Naturarztpraxis Ingrid Mundschin	Liestal
AR design / AR herbal	Bremgarten
LB Logistikbetriebe AG	Baden
China Art	Interlaken
Publicomm+	Bruxelles
Algo Vision Schweiz AG	Vogelsang/Turgi
Hans Rusch	Gränichen
CSK Schweiz AG	Waldisellen
AAW Produktions AG	Mauren
Interglobe Finance S. A.	Zurich

## Geneva Chapter

HTS HONGTA SUISSE S. A.	Vevey
LES PRODUITS ASSOCIES	Chêne-Bourg
Elisabeth CHRISTEN	Genève
Yafei ZHANG	Genève
DEEP SERVICES SARL	Remaufens
R.A.C.	Genève
Dominique PERREGAUX	Genolier
MD SUPPLY SARL	Yverdon-les-Bains
Madame Qihong LI	Genève



# New Swiss Chinese Chamber of Commerce

(Beijing, 18 April 2001) The Switzerland based Swiss-Chinese Chamber of Commerce was founded in 1980 in Zurich. Following its inception the Chamber established Chapters in a number of other Swiss cities. It also set up a representative office in Beijing, the so-called Beijing Chapter in 1996.

Owing to a rapid development of Sino-Swiss economic co-operation the Beijing Chapter has witnessed a continuous expansion of its activities. Within the last 6 years it has grown to an organization comprising over 75 members. Apart from organizing monthly luncheon presentations and special events it provides its members also with basic information on Sino-Swiss co-operation. It moreover acts in an introductory capacity with regard to PRC and Swiss government and regulatory bodies and corporate institutions. The institution also has built a very attractive web page, which features a host of Switzerland related information under [swisschinacham.org](http://swisschinacham.org). With over 500 companies having built a physical presence all over the country Switzerland currently ranks among the ten largest foreign direct investors in China. Sino-Swiss foreign trade grew another 33% in 2000 thus reaching another record height of 3.7 billion Swiss Francs (ca. 18 billion RMB) in 2000.

It is these favourable trends and notably the guidance, support and hospitality extended by China's government institutions and regulators that have enabled the former Beijing Chapter of the Switzerland based Swiss-Chinese Chamber of Commerce to apply for the inception of an independent, China based Swiss-Chinese Chamber of Commerce. Moreover China's legal system offered very favourable conditions to the initiative by the Beijing Chapter to seek approval from China's authorities for the inception of a new Swiss Chinese Chamber of Commerce acting under the MOFTEC. The initiative was approved by the Chapter's extraordinary General Assembly in July 2000. Owing to the continued support and co-operation of the Chinese authorities concerned,

the application process was successfully completed by the end of last year, when the relevant license was issued. The new Chamber became fully operational last month, which brought the conclusion of the necessary internal re-organization. The new structures that have now been put into place feature a national Swiss Chinese Chamber of Commerce and two regional Chapters in Beijing and Shanghai. The concept allows for a high level of autonomy of these organizations while offering the flexibility to incept further regional sub-chapters in case of the emergence of additional larger Swiss business communities in China.

The Swiss Chinese Chamber of Commerce anticipates that in the years to come there will be a significant increase in economic co-operation with Swiss partners by China's business community, notably also as regards the country's rapidly emerging strata of professionals and representatives of non-state owned companies. As with Swiss entrepreneurs in China the Chamber aims at serving this important client segment with basic information as to suitable business partners as well as competent sources of know-how.

The establishment of a legally incepted and formally recognized Swiss Chinese Chamber of Commerce in China marks an important step for the Sino-Swiss business community and for the economic relations between the People's Republic of China and Switzerland in general.

*For further information please contact the Chamber in Switzerland or:*

*Dr. Urs Buchmann, President  
Tel.: 0086-10-6410 6611, Fax: 0086-10-6410 6126*

*Mr. Jürg Lauber, Secretary General  
Tel.: 0086-10-6532 1515, Fax: 0086-10-6532 1515  
E-mail: [info@swisschinacham.org](mailto:info@swisschinacham.org)*

## Ihre Konkurrenz wird Sie beneiden

Äusserst sprachgewandte Chinesin, 31 (Chinesisch, Deutsch und Englisch), Betriebswirtschaftlerin (lic. oec. publ.) mit Top-Abschluss und langjähriger Erfahrung im China-Geschäft, Niederlassungsbewilligung C, sucht neue Herausforderung.

Für das detaillierte Dossier kontaktieren Sie bitte:

Wirtschaftskammer Schweiz-China, Frau Susan Horváth, Alderstr. 49, 8008 Zürich  
Tel. +41-1-421 38 88, Fax +41-1-421 38 89, E-mail: [horvath@sccc.ch](mailto:horvath@sccc.ch)



# New President at Geneva Chapter



Dr. Daniel V.  
Christen

## Work Experience

- 1999 – today SGS Société Générale de Surveillance S.A., Head Office in Geneva, Vice President, SGS Global Trade Solutions  
Head of Marketing Greater China, Member of Regional Marketing Team Asia-Pacific  
Global Head Transit Services  
Sector Manager for Arrears Recovery
- 1997 – 1999 Swiss State Secretariat for Economic Affairs (seco), Berne  
Investment Promotion and Mixed Financing, Economic Development Cooperation
- 1995 – 1997 Credit Suisse First Boston, Beijing  
Deputy Representative, Head of Corporate Banking, Head of Staff & Support Unit CSG China
- 1993 – 1995 Credit Suisse, Head Office in Zurich, Commercial Banking Asia-Pacific  
Relationship Manager, China Desk, Corporate and Correspondent Banking

- 1989 – 1993 Credit Suisse, Head Office in Zurich, Financial Holdings  
Advent International, Boston  
Credit Suisse, Los Angeles Branch

## Positions in Professional Associations, Official Organisations and Boards of Directors

- 2000 – today President of the “SCP Swiss Company Pool”, the network of overseas support centres forming part of the official Swiss export promotion scheme for small to medium sized enterprises
- 2000 – today Member of the Board of the “Swiss – South East Asian Chamber of Commerce”
- 2000 – today Vice President of the Committee of “Swiss – Chinese Chamber of Commerce, Geneva Chapter”
- 1999 – today Member of and Technical Expert to the Swiss delegation negotiating China’s accession to WTO
- 1997 – 2000 Member of the Board of Directors of the “Sino-Swiss Partnership Fund”, Beijing, P. R. of China
- 1999 – 2000 Member of the Board of Directors and Member of the Executive Committee of the Board of Directors of the “Swiss Development Finance Corporation”

## Education

- 1989 – 1991 UNIVERSITY OF ST. GALLEN  
PhD Cum Laude in Economics, Thesis on “Venture Capital as an Investment”
- 1983 – 1988 UNIVERSITY OF ST. GALLEN  
Master of Business Administration, Majors in Finance and Controlling

# Recognitions for Outstanding Contributions

## “Madame Chambre de Commerce Suisse-Chine Section Romande” hands over Presidency

*After more than five years at the helm of the “Swiss-Chinese Chamber of Commerce for French Speaking Switzerland”, Madame Hilda Rochat handed over the Presidency at the Annual General Assembly of March 8, 2001 to Daniel V. Christen. The more than 30 members present bid her farewell with a long acclamation, and elected her “Honorary Member” in recognition of her*

*valuable contributions and her dedication to the Chamber over many years.*

Already a member of the predecessor-organisation of the “Swiss-Chinese Chamber of Commerce for French Speaking Switzerland” for many years, Madame Rochat succeeded Maître Sambuc as President of the Chamber

in 1995, after the fusion with the “Swiss-Chinese Chamber of Commerce Zurich”. Over the past years, Hilda Rochat, with her vibrant energy that often came so handy in the Chambers dealings with China on behalf of its members, led “her” Chamber ever forward, significantly increasing the number of members and enlarging the services offered to them. Madame Rochat has now left the Presidency and the Board of the “Swiss-Chinese Chamber of Commerce for French Speaking Switzerland”, but in her status as Honorary Member she will continue to make available her experience in successfully dealing with China. The Board offers its likewise assistance and support, and wishes Madame Rochat all the success she hopes for in her current and future projects, of which we are convinced that there are many.

Madame Hilda Rochat launched herself into cultural exchanges with China as early as 1972 when she founded “21st Century Exchange” in Geneva. At a time when China was still struggling to bring the Great Cultural Revolution to an end and was not much looking outside

of its own boundaries, one can only imagine the complications to be overcome by Madame Rochat to set-up exchanges between Switzerland and China. Over time, her activities focused more and more on cultural exchanges: Madame Rochat has been organising performances by artists from such diverse backgrounds as classic, contemporary, jazz and traditional folk groups, not neglecting that the exchange be conducted both ways, of course. Her renommé for successful cultural exchanges led to her appointment by China, in 1998, to select and represent Swiss folklore groups for the “Beijing International Folklore Festival” where Switzerland ever since has received high prominence.

Madame Rochat's activities in cultural exchanges certainly reached another highlight last year when she organised the participation of Geneva's beloved “Vieux Grenadiers de Genève” in the official celebration of the 50th anniversary of bilateral relations between Switzerland and China in the presence of H. E. Monsieur Adolf Ogi, President of Switzerland.

## Constitution of the Board

The departing Members of the Board of the Geneva Chapter of the Chamber to which they belonged for so many years, Past-President Madame Hilda Rochat, Maître Froidevaux and Ms Martine Challande, are difficult to replace. However, the Board decided to actively look for motivated persons with special know-how, rather than for interesting institutions, and to seek to add some more “Chinese characteristics” to the Board.

The following candidates were proposed to the Annual General Assembly and were both elected unanimously:

### Ms Amy Li

Born and raised in Shanghai, Ms Li holds a Bachelor degree in pre-school education from Shanghai University. Ms Li joined Credit Suisse in Shanghai at its official opening in 1992 and assumed marketing responsibilities for foreign exchange and trade finance services for Shanghai and 11 Southern provinces. In 1996, Ms Li was transferred to Credit Suisse Geneva's documentary credit department where she was heading the China desk. After a training-on-the-job in England, Ms Li returned to Credit Suisse Geneva where today she assumes responsibilities in structured trade finance for commodities transactions. Ms Li fluently speaks Mandarin, English and French, is married and mother of a newly born baby. As Board Member of the “Swiss-Chinese Chamber of Commerce for French Speaking Switzerland”, Ms Li will be an excellent support to our members who experience difficulties in their documentary banking transactions with China.

### Mr Dominique Perregaux

Attending all schools in Geneva, Mr Perregaux entered business as an equity trader in Japanese securities for UBS in Geneva in 1994. In 1996, Mr Perregaux moved

### Members of the Board Geneva Chapter

Président	M. Daniel CHRISTEN Vice-Président, SGS Société Générale de Surveillance S.A.
Vice-Président	M. Philippe KNUPFER Avocat, HSBCRepublic
Trésorier	M. Bernard BÜSCHI Président, Bernard Büschi & Cie S.A.
Secrétaire	M. Dominique PERREGAUX CLSA (S-E Asia) Ltd
Comité	M. Marcel CLIVAZ Président, Swiss Hotel Association
	Mme Amy Qihong LI Négoce International, Crédit Suisse Genève
	M. Nicolas PICTET Partner, Pictet & Cie.
	M. Herbert SCHOTT Manager, Hôtel Intercontinental
	M. Jean-Nicolas THALMANN Directeur, OPI (Office de la Promotion Industrielle)
	M. Jean-Luc VINCENT Président, Salon International des Inventions
	M. Yafei ZHANG Assistant de Direction, Shanghai Overseas

**Dr. Siegrist Consulting**

**your competent partner for China  
assists you in**

- Assessment of intended activities in China
- Establishing representative office or company
- Technology transfer
- Drafting contracts
- Negotiations in China and Europe
- Monitoring your activities in China
- Handling legal problems

**your consultant**

Dr. iur. Harald O. Siegrist  
formerly General Counsel of international Swiss high-tech company  
member of Legal Chapter of Swiss-Chinese Chamber of Commerce  
member of LES Switzerland

Lerchenbergstrasse 9, 8703 Erlenbach, Switzerland  
Tel. +41 1 911 07 66 Fax +41 1 910 30 38 e-mail: harald.siegrist@attglobal.net

on to Kleinwort Benson-Mashill Securities in Jakarta, Indonesia, still trading in equities. In 1997, Mr Perregaux returned to Geneva to work for CLSA (Credit Lyonnais Securities Asia), assuming responsibilities for Swiss institutional investors and advising on investments in Asia (China, Hongkong, Singapore, Thailand). Mr Perregaux has an interesting link to and special motivation for all things Chinese: Two generations of his family have lived and worked in Tianjin before the proclamation of the People's Republic of China in 1949 and he grew up surrounded by reminiscences of this family legacy. We also expect that Mr Perregaux's special know-how of the securities markets in Asia may be of interest to many members of our Chamber.

The Board of the "Swiss-Chinese Chamber of Commerce for French Speaking Switzerland" welcomes its two new members and looks forward to a fruitful and inspiring team work.

## All Past-Presidents honored

*The Annual General Assembly of March 8, 2001 elected the two predecessors of Madame Rochat, Maître Niklaus and Maître Sambuc, to the same status of "Honorary Member".*

Maître Roland Niklaus in May 1985 founded the "Swiss-Chinese Association" in Geneva with the purpose of uniting people from business and other backgrounds who shared an interest in China. This organization became the predecessor of today's "Swiss-Chinese Chamber of

Commerce for French Speaking Switzerland". In 1989, Maître Henri-Philippe Sambuc succeeded as President in a year full of uncertainties and unfavourable economic perceptions of China. It was his proactive views that led him to establishing contacts with the "Swiss-Chinese Chamber of Commerce Zurich" and eventually to the fusion of the two organizations to form a critical mass that has meanwhile led to successful domestic and international expansion.

In recognition of their valuable contributions and dedication to the Chamber, the Annual General Assembly of March 8, 2001, conferred upon both Past-Presidents the status of "Honorary Members".

## Farewell and Special Thanks

Two long-standing Members of the Board of the "Swiss-Chinese Chamber of Commerce for French Speaking Switzerland", Maître Froidevaux and Madame Martine Challande, decided not to present themselves for re-election for another term in spring of 2001. Maître Froidevaux earned himself particular respect among Board Members by having been a part of this committee from even before the fusion in 1995. Madame Challande was one of the driving forces behind last year's tremendous effort in organizing the "Nuit de l'amitié" in Geneva, successfully honouring the 50th anniversary of bilateral relations between Switzerland and China. The Board wishes to thank both former Members for their many valuable contributions and most pleasant company, and wishes them continued success, fortune and happiness in their business as well as private life.

# How China Performed in 2000

China's 2000 GDP grew 8% to US\$ 1.07 trillion, surpassing US\$ 1 trillion for the first time in the nation's history. Industrial growth reached 11.4% on the back of the government's stimulation programme and a recovering export volume. The industrial sector was driven mainly by the heavy industrial segment with strong demand for basic products like cement, steel, glass, power, electric machinery, chemicals etc. Heavy industry's value-added output grew 13%, the figure for light industries was 9%.

Domestic spending did not make a full recovery. The retail price index fell 1.4% from a year earlier.

Tax revenue soared 22.8% to a record high of US\$ 153 billion. Better tax collection, a clampdown on corruption

and fraud as well as price increases for imported raw materials such as steel and oil contributed to the rise. Value added tax rose by 14.1%, while business taxes rose by 42.8%. Stamp tax from share transactions nearly doubled, up 95%, and brought in 4% of total tax revenue. Customs revenues went up 43.7% Chinese tax revenues are still low compared to GDP, namely 14.2% as against 12.6% in 1999. 59% of taxes raised were paid to the central government. Foreign companies and individuals shoulder an increasing share of the tax burden and now account for nearly one fifth of total tax revenues, having paid US\$ 28 billion in 2000.

China's foreign trade set a new record in terms of both total value and year-on-year increase. The country traded

## Sino-Swiss Trade / Year 2000 (in CHF Mio.)

	1992	1993	1994	1995	1996	1997	1998	1999	2000	Var. 1999/2000
Exports from CH	620.3	942.5	863.4	843.3	887.7	937.8	809.1	990.0	1'402.7	+41.7%
Imports to CH	875.2	1'083.5	1'144.4	1'075.5	1'204.2	1'562.2	1'682.4	1'800.0	2'300.5	+27.8%
Trade Volume	1'495.5	2'026.0	2'007.8	1'918.8	2'091.9	2'500.0	2'491.5	2'790.0	3'703.2	+32.7%
Trade Balance	-254.9	-141.0	-281.0	-232.2	-316.5	-624.4	-873.3	-810.0	-897.9	+10.9%

## 2000 Figures

in 1000 CHF

**Imports  
to Switzerland  
from China**

from Hong Kong

**Exports  
from Switzerland  
to China**

to Hong Kong

Agricultural Products	97'811	2'648	2'638	28'557
Chemical Products	233'616	3'828	210'437	348'980
Pharmaceuticals	4'957	98	109'745	49'520
Leather, hides	131'519	3'763	1'846	46'629
Textiles, clothing	617'814	79'559	27'687	43'136
Shoes, accessories	109'848	1'856	193	5'230
Machinery	407'537	101'220	818'726	369'652
Watches	165'991	345'236	45'041	1'423'170
Precious metals, jewelry	22'748	305'223	4'169	1'288'087
Toys, sports equipment	189'741	16'925	14'052	34'184
Other	318'967	34'307	168'124	204'332
<b>Total</b>	<b>2'300'549</b>	<b>894'663</b>	<b>1'402'658</b>	<b>3'841'477</b>
<b>Total CN + HK</b>	<b>3'195'212 (+30.1%)</b>		<b>5'244'135 (+34.4 %)</b>	
<b>Total Trade CN + HK</b>	<b>8'439'347 (+32.7%)</b>			
<b>Trade Balance CN + HK</b>	<b>+2'048'923 (+41.7%)</b>			

Source: State Secretariat for Economic Affairs (seco)

US\$ 474,3 billion worth of products and services with other countries, meaning an increase of 31.5% over 1999, compared with an average annual increase of 13.4% over the last two decades. Exports surged 27.8% to US\$ 249.2 billion, imports rose 35.8% to US\$ 225.1 billion, partly due to higher oil prices. Exports of high and new technology products reached US\$ 37 billion, surging 50% year-on-year and accounting for 15% of total exports. Foreign invested ventures made up 48% of exports; State-owned enterprises contributed 47% and the private sector about 5%.

The country's foreign currency reserves stood at US\$ 165.6 billion at the end of 2000, up US\$ 10.9 billion from the end of 1999.

The amount of foreign direct investment turned around after declining for two years. It increased by 0.93% to US\$ 40.8 billion according to MOFTEC. China approved 22,532 investments projects, up 31.76% from 1999. At the end of 2000, total foreign investments in some 364,500 projects amounted to US\$ 348.6 billion. In 2000 China replaced the UK as the world's biggest

destination for foreign investments after the US. Hong Kong was the biggest investor, followed by the US, EU, Taiwan, Singapore in terms of contracted amount.

*Summary by Paul Wyss*

## Investments

*According to Chinese Statistics (Statistical Yearbook 2000), Swiss direct investment in China (actually used) amounted to USD 247 million in 1999 (1998: USD 229 million). Unfortunately, the Statistical Yearbook does not provide the figure for total foreign direct investment (cumulative over the years).*

*The Embassy estimates the figure for total Swiss direct investment in China at anything between CHF 3 to 4 billion). As you may know, the Swiss National Bank only requires registration of investment above CHF 10 million.*

# Recent Foreign Investments / Joint Ventures

## USA

**FORD MOTOR CO.** has won a central government approval for a joint venture with Chongqing-based Changan Automobile Group. Ford is joining the race among foreign auto-makers to produce a small affordable middle-class car. The two partners will build a new plant to produce a "family car" priced in the RMB 100,000 range.

**GENERAL MOTORS CORP.**, the biggest foreign investor in China's auto industry, will take a 34% stake in Liuzhou Wuling Automobile Co. when the Chinese automaker sells shares to the public. In addition, GM's Shanghai partner, Shanghai Automotive Industry Corp., will take a 50.1% stake in the minibus maker.

**AT&T**, the largest US telecom operator, will set up a US\$ 25 million broadband internet joint venture in Shanghai. AT&T will have a 25% stake and Shanghai Symphony Telecom will hold 75%.

**KODAK** and Shanghai Film and TV group will jointly build a 3500 m<sup>2</sup> deluxe movie theater seating 950 people in the five-story Metro Entertaining Centre. Named Kodak Cinema World, the four-screens theater will feature stereo digital sound and state-of-the-art projection. The theater includes a café and refreshment stands.

**KODAK** launched a "Kodak start-up alliance" program to help small film-processing businesses in setting up Kodak color-film developing shops. They will only

need a store and processing equipment, while Kodak will provide investment planning, marketing analysis, store layout and technical training.

**CITIBANK** is to build a new banking mansion at the Lujiazui Financial Zone in Pudong. The new building will be named the Citigroup Tower. Citibank was the first American bank to start business in China and has offices in Guangzhou, Shenzhen, Xiamen and Chengdu.

**J. P. MORGAN CHASE & CO.** a merger between Chase Manhattan Corp. and J.P. Morgan & Co., signed agreements with Bank of Communications and China Construction Bank. Morgan Chase will provide consultation services, technology support and personnel training to the Chinese banks which will in turn also provide consulting to J. P. Morgan when it expands its fund business in China.

**JOHN HANCOCK LIFE INSURANCE COMPANY** and Shanghai Tianan Insurance Company started John Hancock Tianan Life Insurance Company owned 50:50 by the two sides. It will provide high-quality individual life-insurance services in Shanghai and eventually in other cities.

**LIBERTY MUTUAL GROUP**, the eight largest property and casualty insurer in the United States, will become the first foreign insurance company to establish a wholly foreign-owned subsidiary property insurance firm in Chongqing. In contrast, most foreign insurers have chosen economically developed coastal areas as their first locations in China.



**MCDONALD'S** and Beijing Sanyuan Foods Co Ltd set up a joint venture, Guandong Sanyuan McDonald's Food Co Ltd in Guangzhou. Beijing Sanyuan contributed US\$ 9.90 million to the deal. McDonald's has 40-odd outlets in the province.

## CANADA

**BOMBARDIER AEROSPACE**, Shandong Airlines and Flight Training Device (Mauritius) Ltd will establish Qiangdao Feisheng International Training Ltd which will provide pilot training with a 1.000 square metre facility. Bombardier signed a letter of intent for the sale of four widebody business jets to Shandong Airlines.

**MANULIFE'S** joint venture with Sinochem, Manulife-Sinochem Life Insurance Co. in Shanghai is expecting the go-ahead for opening new branches in other cities, notably in Guangzhou and in the western part of China.

## HONG KONG

**ORIENTAL MANDARIN HOTEL GROUP** is set to buy 50% of the shares of Shanghai's Peace Hotel from Jinjiang group. After the transfer of the shares, Jinjiang and Oriental Mandarin will establish a shareholding hotel company. Peace Hotel was established in 1927.

## SINGAPORE

**CREATIVE TECHNOLOGY** plans to set up a 250 hectare high-tech communication park in Qingdao with Dragon Land, another Singapore-listed company. Nine investors have agreed to take equity stakes and others are interested to become tenants. The project will be called Creative Dragon Park.

## JAPAN

**NEC CORP** will increase its investment in China by US\$ 300 million to expand the output of its joint venture with Shanghai Hua Hong Group. It is expected to raise the output of wavers of Hua Hong Electronics Co Ltd from 20.000 to 30.000 a month by December 2001 to meet the surging demand for devices used in communications equipment.

**MATSUSHITA** set up Matsushita Electric Research and Development (China) Co. in Beijing. The new company will invest US\$ 400 mio in the next five years in R&D of next-generation technologies for mobile communication, digital television software and Chinese language voice recognition.

**MAZDA** agreed with First Auto Works Hainan to build up to 20.000 Premacy minivans by 2004 to be sold

across China. Under the agreement the Chinese car-maker will assemble Mazda parts sent from Japan.

## GERMANY

**TRANSRAPID**, a rail consortium of ThyssenKrupp, Siemens and the German government, signed a contract to build a 30 km high-speed magnetic levitation railway between Pudong International Airport and central Shanghai by the end of 2003. The railway will travel at 430 km/hour and reduce the journey to less than 10 minutes. The German government will offer China aid to finance the project.

**SIEMENS** is to invest US\$ 1 billion in China over the next 3 years to strengthen the research and development capability, mainly targeting next generation mobile phone business. The company plans to open a US\$ 96 million industrial park in Pudong Jinqiao industrial area to serve as the centre for its mobile phone business.

**KOLBENSCHMIDT PIERBURG** and Shanghai Non-Ferrous Casting Plant established Kolbenschmidt Pierburg Shanghai Nonferrous Components Co Ltd, a 50:50 joint venture to produce modules, pumps and cylinder heads for the auto industry. The new company will recruit 1.100 employees and expects annual sales of about US\$ 63 million.

**BASF-YPC** (Yangzi Petrochemical Corp.), a joint venture worth US\$ 2.6 billion between Sinopec and BASF in Nanjing, will construct a 600.000 tons-per-year ethylene plant. The construction is set to be completed in 30 months and production to start in 2004.

**BMW** submitted to the central government an agreement with Chinese Brilliance Group Co Ltd for a 50:50 joint venture to produce between 8.000 and 10.000 cars a year in Shenyang where new facilities would be added to the existing plant of Brilliance.

## GREAT BRITAIN

**BBC** has been granted a licence which will allow BBC world television news service to broadcast in hotels and foreign residential compounds which involves a total investment of US\$ 80 million. Rival foreign news channels such as CNN and CNBC, are already broadcasting inside hotels and foreign compounds in China.

## IRELAND

**JEFFERSON SMURFIT**, Dublin-based container board manufacturer, has made its first significant investment in China buying a 25% stake in Leefung-Asco Printers Holding, for US\$ 21 mio, with an option to become majority 51% owner at a later date. The company accounts for about 12% of global paper demand.

## CHINA and WTO

The future will bring many more opportunities in the Chinese market through the opening. Do you want to

### take advantage

of this challenge? If yes, you certainly need a reliable and experienced person who can be the bridge between China and your company's strategy.

Lacon is an independent and one person entity represented by Laurie Hung, who is willing to support European companies in marketing research and starting up business in China.

Her strength is her great experience and skills in dealing with both Western and Chinese cultures. She can be your personal consultant and interpreter at meetings and conferences, as well as escorting you to exhibitions in China. Her in-depth experience is to your benefit.

- Excellent know-how in Import and Export  
(20 years in the business)
- Pleasant personality with good diplomatic skills
- Fluent in English, Mandarin and Cantonese
- Excellent network for human resources in China and Hong Kong
- Trustworthy, with European references

For details, contact Miss Laurie Hung, E-mail: laurie\_hung@163.net Fax: 00852-2369 7327

### FRANCE

**PSA PEUGEOT CITROEN SA's** Chinese car unit, Dongfeng-Citroen Automobile Corp., plans to make the Xsara Picasso minivan in a joint venture starting in the second half of this year for sales to wealthy Chinese customers.

**CARREFOUR GROUP** buys more goods from China than anywhere else in the Asia-Pacific Rim. China infact accounts for 58% of Carrefour's purchase volume. The French retail giant recently came under fire for failing to secure central government approval to open stores, relying instead on local approvals.

### HOLLAND

**ROYAL DUTCH/SHELL GROUP** will spend US\$ 150 million by 2004 to jointly build gasoline stations in China with China Petroleum & Chemical Group (SINOPEC). Shell will complete a feasibility study by the middle of the year to build 500 stations in Jiangsu province. In September 2000 Shell bought a US\$ 430 million stake in SINOPEC.

### AUSTRIA

**PRESIDENT KLESTIL** is scheduled to visit China May 14-20 with a high-ranking delegation, calling on Beijing, Xian, Shanghai and Hong Kong.

### SWITZERLAND

**NESTLE'S** total sales in China in 2000 shot up 40% from the previous year. Nestlé currently has 18 factories and about 8.000 employees in China, whereof only about 90 are non-Chinese. The company will soon establish a research and development center in Shanghai.

**ABB GROUP** will establish its 26th venture in China, ABB Xian Power Condensor Co. The joint venture will manufacture power compensation condensers with an initial investment of US\$ 6.4 million. ABB will hold 51% of the shares and will exercise complete control in the company's management. Xian Power Compensation Condenser Plant will hold 49% of the shares. Initially ABB will hire 80 employees. Currently, ABB has approximately 5500 employees in 50 regions in China, including those of the new joint venture.



**ABB XIAMEN SWITCHGEAR** has signed an RMB 83 mio contract with Guangzhou Metro to design and manufacture gas-insulated switchgear for the city's metroline. This is the third big order of such equipment for the joint venture this year.

**ZURICH FINANCIAL SERVICES GROUP** has acquired a 10% stake in China's largest private insurance company, New China Life. The deal came 3 months after the two countries signed a deal on the sale of insurance licences. Zurich's investment amounts to US\$ 39 mio (SFr. 62.78 mio). Zurich will delegate senior executives to New China Life, take a seat on the board of directors, and provide technical assistance and training. The participation is carried out by a share capital increase with three other foreign investors: International Finance Corp., Meiji Life of Japan and Dutch Development Finance Corp., controlling together 24.9% of New China Life. Zurich operates representative offices in Beijing, Guangzhou and Shanghai and expects to be awarded a non-life licence under a bilateral agreement.

**VACHERON CONSTANTIN**, the luxury watch maker, recently set up its first retail shop in Beijing. The 245 year old company has 18 distributors in China.

**FRANKE GROUP** will double the production capacity of its factory Franke (Heshan) Kitchen Equipment with an investment of US\$ 7.5 million and by increasing the work force from 150 to 235 persons.

**AGIE CHARMILLES GROUP**, leading producer of electric discharge machines, is establishing Agie Charmilles China (Shanghai) Ltd, a wholly-foreign-owned company responsible for sales and after-sales service of the machines built in the group's plant in Beijing. The group has so far invested US\$ 40 million in China, including the US\$ 10 million Beijing plant.

## SWEDEN

**SEVDALA**, a leading civil engineering and mineral equipment manufacturer, invested US\$ 12 million in a manufacturing plant in Tianjin producing vibrating rollers laying asphalt, equipment for crushing coal, and spare parts. Sevdala already play a significant role in such projects as the Three Gorges, the Daya Bay Nuclear Power Station and Beijing Capital Airport.

*Summary by Paul Wyss*

## In Brief

- According to WTO, China overtook Italy and the Netherlands in foreign trade, becoming the world's seventh largest trade partner last year. Its exports ranked 7th last year, up from 9th in 1999, while imports ranked 8th, up from 10th.
- Chinese companies raised a record US\$ 38 billion in 2000 by listing shares in domestic and overseas stock markets. By the end of 2000 there were 1.088 listed shares on the Shanghai and Shenzhen bourses, up 139 over the previous year. Market capitalization of the two exchanges totalled US\$ 578 billion.
- China National Offshore Oil Co Ltd (CNOOC) staged a strong debut at the Hong Kong and New York Stock Exchanges, sending a positive signal to other mainland companies planning international listings this year. Other oil giants already listed in overseas markets are PetroChina and Sinopec.
- China's hard currency B-share market is now open to domestic investors who can open trading accounts for B shares previously reserved for overseas investors. Domestic residents opened 342.000 B-share accounts in Shanghai and Shenzhen and the trading volume surged to a four months high.
- China's stock markets outperformed most exchanges across the globe in 2000. Shanghai A shares, reserved to Chinese citizens, rose 51%, Shenzhen's climbed 58%. Shanghai's B shares gained 136%, Shenzhen's 63%.
- From January 2001 China began to levy a 10% purchasing tax on automobiles, replacing the existing fee that road authorities charged. The new tax is in line with WTO requirements.
- The People's Bank of China and the Ministry of Finance released a list of 68 qualified and officially accredited accounting firms which were given licences to carry out auditing business in China. The qualifications are subject to annual review.
- Private enterprises, including private research institutes, became eligible for export trade rights on January 1, 2001. Previously, only state-owned or collective enterprises enjoyed such right. The measure will encourage private enterprises to engage in international business.
- As from January 1, 2001, China cut its overall import tariff level from its current 16.4% to 15.3%. After the reductions, the average rate for chemical products is 10.6%, for farm products 19%, for textiles 21.1%, for building materials 17.8%.
- The Ministry of Information Industry (MII), the Ministry of Finance and the State Development Planning Commission announced massive cuts in telecom and Internet charges effective 1.1.2001, slashing some fees by more than 50%. The monthly service fee for a fixed-line telephone went down from US\$ 2.90 to US\$ 2.17.

Anzeige  
Siber Hegner

- China will establish down-town duty-free stores in Shanghai, Dalian, Qingdao and Xiamen within the next 3 years. Currently there is only one downtown store in Beijing.
- According to a survey conducted in 6 cities by the China National Consumers Association the 5 most needed types of insurance are medical insurance, pension insurance, accidental injury insurance, life insurance, and various kinds of insurance for children. The insurance sector maintains 2-digit growth.
- Construction of a 16.9 km subway line in Nanjing has started. The first phase of the project has an investment value of over RMB 7 billion and is scheduled to be completed by the end of 2005.
- China's State Council approved a preferential policy allowing tourists as part of an organized group from 21 countries including Switzerland to visit Hainan for up to 15 days without a visa. Hainan is the only province to enjoy this policy.
- The second Nanjing Ysangtze River Bridge, the longest cable bridge in China, was recently completed. With a capacity to take 60.000 vehicles per day, it was built 11 kilometres downstream from the first bridge built 32 years ago. The new bridge required an investment of US\$ 361 million.
- The 1.262 km expressway from Beijing to Shanghai was recently completed at a cost of US\$ 4.76 billion, passing through Tianjin, Hebei, Shandong and Jiangsu. 76% of the funds came from the central government, 20% from banks and 4% from foreign investors.
- Despite the engineering challenges and the enormous cost, the government will move forward with a decades-old plan to link Tibet with the rest of China by train, building the world's highest railroad. Feasibility studies are being conducted along the 1.108 km route. Most of the the railway would run above 3.900 meters.
- China will spend around US\$ 12 billion on a Beijing-Shanghai high-speed railway, but no decision has been reached whether the project will use a maglev (magnetic levitation) or wheeled system. A German maglev railway linking Pudong Airport and downtown Shanghai soon being built will provide the Ministry of Railways with valuable experience.
- People's Bank of China announced that China has increased its share in the International Monetary Fund (IMF), giving the country more voting rights in the 183-member institution. China now shares with Canada a position as the IMF's eight biggest shareholder after the United States, Japan, Germany, Britain, France, Italy and Saudi Arabia.
- The number of Chinese citizens who went abroad for personal reasons in 2000 reached 4.97 million, up 16.7% from 1999. The number of mainland residents visiting Hong Kong and Macao also reached a new high.
- Three ferries from the Taiwan islands of Jinmen and Matsu Mazu made the first officially sanctioned crossings to Mainland China in January, opening direct links between the two sides of the Taiwan straits "Mini links" in direct transport, trade and postal services between these islands and Fuzhou and Xiamen were approved by the Taiwan government.
- China formed a State-run integrated aluminium giant, the Aluminium Corporation of China (Chinalco), composed of the six largest manufacturers and research institutes, which will become the world's third largest producer after the US-based Alcoa and Canada's Aluminium Ltd. The giant will produce 70% of the domestic market's alumina; the remaining 30% come from imports.
- In a recent survey of students from six top Chinese universities 63.9% of respondents said they hope to work for foreign companies after graduation. The most cited methods to achieve that goal were computer skills, mastering foreign languages and improving people skills.

*Summary by Paul Wyss*

## Less Ties for Foreign Invested Enterprises

In October 2000, the Standing Committee of the National People's Congress amended the laws on Co-operative Joint Ventures (CJV) and Wholly Foreign Owned Enterprises (WFOE). Amendments to the Equity Joint Venture Law are currently under discussion.

Some amendments relate to both CJV and WFOE: they are no longer requested to balance their foreign exchange receipts and payments. The principle of "fairness and reasonableness" replaced the protectionist approach of the former version of the law for the purchase of raw materials from domestic or foreign markets.

The most important changes only concern WFOE. They are no longer requested to use "advanced technology" or to be "export-oriented". Under the amended law "export-oriented and technologically advanced foreign capital enterprises will be encouraged". The old provision that the production and operation plans of enterprises with foreign capital had to be reported to the competent authorities for the record has been abolished.

For foreign investors, the amendment of the WFOE law brings two positive main consequences: Firstly, it paves the way for the establishment of wholly foreign

## Are you thinking of investing in China?

### Need assistance?

- Market entry strategy? Market research?
- Partner search and selection? Site selection?
- Project feasibility? Business plan?
- Negotiation assistance?
- Financial engineering and search of funds?
- Advice on availability of Swiss Government funds?

Call our experienced China Team (our team includes Chinese-speaking consultants) in Zurich at +41-1-249 28 88 for an initial advice with no obligation. Consult our website at <http://www.sofi.ch>.

owned service companies, which did not comply with the prerequisites under the former version of being export-oriented and /or technologically advanced. Secondly, it simplifies the relations with the Chinese administrative authorities.

Even if the amendments are to be considered mainly as the ratification of widespread practice, they are nevertheless a proof of the continuing efforts by the government in rooting the rule of law in China.

*Source: BBLP Beiten Burkhardt Mittl & Wegener*

## China Federation of Machinery Industry Launched

The China Federation of Machinery Industry was officially inaugurated, one month after the State Administration of Machinery Industry was axed as part of the government's program to streamline administration. The federation is under the leadership of the State Economic and Trade Commission and currently has 49 industrial associations and 23 intermediate services organizations as its members. The federation will play the role of an adviser to the government and enterprises and a bridge between the two in order to promote the development of China's machine-building industry.

*Source: Xinhua*

## Beijing to Loosen Exchange Rate

According to central bank governor Dai Xianglong, Beijing will adopt a more flexible currency-exchange rate after its entry to the WTO. The People's Bank of China, which intervenes in the market to ensure the yuan trades within a thin band, kept the currency between 8.277 and 8.28 to the US dollar for more than three years after the Asian financial crisis. Since April last year the bank has allowed the yuan to close outside the thin range more than 40 times, though only twice outside the weak end.

*Source: SCMP*

## 10 New Industrial Development Zones around Chinese Capital

The municipal government of Beijing decided to establish ten new industrial development zones in rural areas around the city to attract domestic and foreign investment. The zones will be engaged in bio-pharmaceuticals, software, electronic information and other energy-saving and environment-friendly high tech industries. The investors in the zones will enjoy preferential policies for high tech industries, including preferential tax rates and low admission thresholds and streamlined registration procedures.

*Source: China Daily*

## Population Growth Well Under Control

The results of the Fifth National Census putting the population at 1.295 billion show that China has met the target of keeping the figure below 1.3 billion at the end of 2000. The population grew by 132.2 million since 1990, an increase of 11.7%. Annual growth was 1.07%, down 0.4% from the rate in the 1980s. The figure includes Hong Kong with 6.78 million, Macao with 440.000 and Taiwan with 22.28 million residents.

The census showed that China's population is becoming better educated and more urbanized, even though most Chinese (64%) still live in the countryside. The proportion of urban residents rose by 9.86%. The number of people with university education increased from 1.422 per 100.000 to 3.611. People with senior secondary education rose 39%, those with junior secondary education increased 45%.

Other figures confirmed that the lopsided ratio of males to females is growing more severe. A 1999 survey found there were 117 male births for every 100 girls, up from 111 boys to 100 girls in the 1990 census.

The census also revealed that the population is ageing rapidly. Chinese aged 65 or over now represent almost 7% of the population, an increase of 1.4% since the last census. By 2050, the country will have 400 million inhabitants over 65, compared with just under 100 million today. The trend underlines China's need to build a self-funding social security system.

Another fast-growing area is ethnic minorities, now 8.41% of the total population. That is up from 8.04% in 1990.

Along with decreasing fertility rates, family size declined. The number of family households on the mainland is now 348.37 million, with an average household size of 3.44 people, 0.52 less than in 1990.

*Source: China Daily*

## Visa Exemption for Taiwan

Starting from 2001, Swiss citizens are eligible for a 14-day visa-exempt entry into Taiwan (extension not possible). The decision by the Taiwanese government was made to strengthen bilateral economic relations, and also in response to Switzerland's agreement to allow Taiwanese citizens a 48-hour entry permit for transit passengers.

Swiss citizens are eligible to the visa-exemption, if they:

- are in possession of passports valid for at least six months
- have confirmed return sea or air tickets or have sea or air tickets and visas for the next destination,
- have confirmed outbound sea or air seat reservations,
- have no record of over-staying in Taiwan for the past year, and no legal restrictions against their admission into Taiwan.

*Source: Quarterly Newsletter,  
Swiss Taiwan Trading Group*

## 6 Actions to Prevent Importing Foot & Mouth Disease

*Joint Announcement by China Agriculture Ministry and China Import & Export Commodities Inspection Bureau (CIQ)*

1. From the announcement date, stop directly and indirectly importing even-toed mammal and goods made from them (such as pigs, sheep, cows and their meats, blood, bones, skins and hair etc.) from disease affected areas. The above-mentioned goods which have arrived at Chinese ports must be sent back or disposed.
2. Stop posting or taking even-toed mammal and goods made from them into China from disease affected areas; above-mentioned goods being found should be sent back or disposed of.
3. The above-mentioned goods from disease affected areas in international vehicles (such as ships, planes, and trains) which will go through China or stay temporarily in China shall be packed closely.
4. The above-mentioned goods smuggled from disease affected areas shall be disposed of with inspections of local CIQ officers.
5. Vehicles including planes, ships, automobiles and other transportation tools (including containers) from disease affected areas should be disinfected with inspections of local CIQ officers.
6. Disobeying above rules will be punished according to "China Import & Export Animal & Plant Diseases Inspection Law".

### CIQ Announcement Summary Regarding Foot & Mouth Disease

Announcement Date	Disease Area
3rd April, 2000	Japan, South Korea
7th May, 2000	Mongolia
15th May, 2000	Russia
2nd March, 2001	United Kingdom
16th March, 2001	France, Argentina, Saudia Arabia, India
26th March, 2001	Ireland, Netherlands

Other areas where foot & mouth disease has been found: Greece, Brazil, Turkey, Iran, Hongkong, Taiwan.

*For further information please contact:  
T-Link Management AG,  
Mr. P. Hunziker (Phone +41-1-822 00 32)*

# The New Five-Year Plan

*The National People's Congress, China's parliament, meets every March in a grand-scale event that sets the seal on government policy and clarifies the budget. This year's NPC was important because it included an announcement of the new five-year plan.*

The National People's Congress, which took place from 5–15 March, sets out the next phase of China's economic development. It marked the formal launch of the 10th five-year plan (see Review, January 2001). A target annual economic growth rate was set of 7 per cent, which, if achieved, would enable gross domestic product to double by 2010. It is clear that China is intent on some major fiscal pushes to help bring this about: the budget deficit for this year will be Yn 259.8 bn (US\$31bn), 4 per cent higher than last year, and there is to be another issue of infrastructure bonds, which will raise Yn 150 bn.

Other key targets were set out. For example, planners are aiming to keep urban unemployment below 5 per cent. In what will generally be applauded by outsiders, China's parliament endorsed the general policy by the government to continue with the policy of reform of state-owned enterprises and the encouragement of private enterprise.

Even though targets were explicitly stated, there were first signs of a move away from targets as being important in themselves and more of a readiness to accept that the emphasis should be on key development areas and solving problems. This is perhaps an indication that China's leaders know that much can happen over the next five years, and much, too, will be beyond their control.

## Plain Speaking

But what made the National People's Congress this year different from the usual fare is that from Premier Zhu Rongji down there was some blunt speaking. In his policy address Mr. Zhu listed 15 "major" problems facing China. There were the obvious and often-stated ones, such as the widening gap between rich and poor, environmental degradation and water shortages, but also those which have not been publicly aired before, such as the problems associated with "low overall quality to the national economy".

Reference was made by Premier Zhu to problems in the industrial structure in China and a weak science and technology sector. Mr. Zhu also spoke at some length about the difficulties facing China's rural sector. He called for the "industrialised management of agriculture" and made an interesting call for experimental reforms in "transferring land use rights".

Zeng Peiyan, head of the state planning commission, was no less blunt. He said that reform of the state-owned enterprises had not gone as fast as china's planners would have liked. "There has still not been a fundamental change in the way state-owned enterprises operate."

He added: "The base for economic recovery remains unstable. We must continue to follow a proactive fiscal policy and maintain the strength of that policy at the level

necessary to ensure that the strength of investment is adequate to fuel economic growth."

At the same time, there was recognition that the embryonic social security system would continue to have to be refined and improved, especially with the high expected lay-offs from closed or streamlined state companies.

There is added pressure on the leadership to expedite the reforms in advance of China's membership of the World Trade Organization. Mr. Zhu acknowledged that membership will come at a time when the economic reforms are at a very sensitive point. Mr. Zeng said that accession would have a direct impact on several key sectors, among them agriculture, cars, petrochemicals and telecommunications. "At the initial stage when China joins WTO, some enterprises will go bankrupt and laid-off workers will increase", he said. And listen, too, to Premier Zhu Rongji: "Enterprises that have been in the red for long periods with little hope of recovery and whose debts surpass assets should be allowed to go bankrupt."

WTO is forcing the government to break down state monopolies, particularly in the telecommunications sector. Li Rongrong, the incoming Minister of the State Economic and Trade Commission, included civil aviation, railways and banking as other sectors where monopolies would be ended. Mr. Li also said that the number of projects and production plans that would need the permission of the SETC would be reduced.

## What is there for Foreign Business?

Sino-foreign joint ventures should stand to benefit in future from changes in legislation. They may no longer be required to export finished products, only encouraged to do so, and the requirement to submit a business plan before obtaining approval to start a joint venture may also be for the chop. Similarly, the stipulation to source raw materials locally is being reviewed. On the downside, preferential treatment now afforded foreign joint ventures will be taken away.

When China will actually join the WTO remains open to some doubt. There are still some sticking points, particularly over the question of agricultural subsidies, and the process has not been helped by a change of administration in the U.S. Trade Minister Shi Guangsheng would only say that China is still committed to joining; in his words it was a "foregone conclusion".

*Source: China Concept Consulting*

## Government Appointments

For changes at the top, or the government communications chart, contact Jeremy Gordon, chief operating officer at China Concept Consulting, on [jgordon@chinaconcept.com](mailto:jgordon@chinaconcept.com), or visit the company's website: [www.chinaconcept.com](http://www.chinaconcept.com)



# Overview and Outlook on Shanghai's Economy

## I. Economic Statistics and Facts in Year 2000

Year 2000 is the last year of Shanghai's NINTH PLAN FOR MUNICIPAL ECONOMIC & SOCIAL DEVELOPMENT. In 2000, Shanghai's gross domestic production (GDP) posted 455 billion yuan (USD 54.8 billion), 10.8% higher than 1999. This growth rate of 10.8% proves that Shanghai has seen double digit GDP growth in the last 9 years. From the following curve, one can find that since the opening up of the city's Pudong New Area, Shanghai was on the fast development track during the period of year 1993-1995. Afterwards, the overall development speed had slowed down, with the lowest happening in 1998. Though first task was to keep steady economic adjustment, last year the city's economy achieved a modestly stronger climb-up. GDP per capita for the first time hit USD 4'180, joining the ranks of the middle-income countries/regions worldwide.

The statistics not only represent a year of upward development, but also proves that the city has successfully completed some tasks as part of the strategically economic restructuring. To be particular, the following two interesting aspects are worth of further watch-on:

### 1.1 More Significant role Played by the Tertiary Industry

Twenty years ago, the output value generated by the tertiary industry only accounted for 18% of the city's GDP.

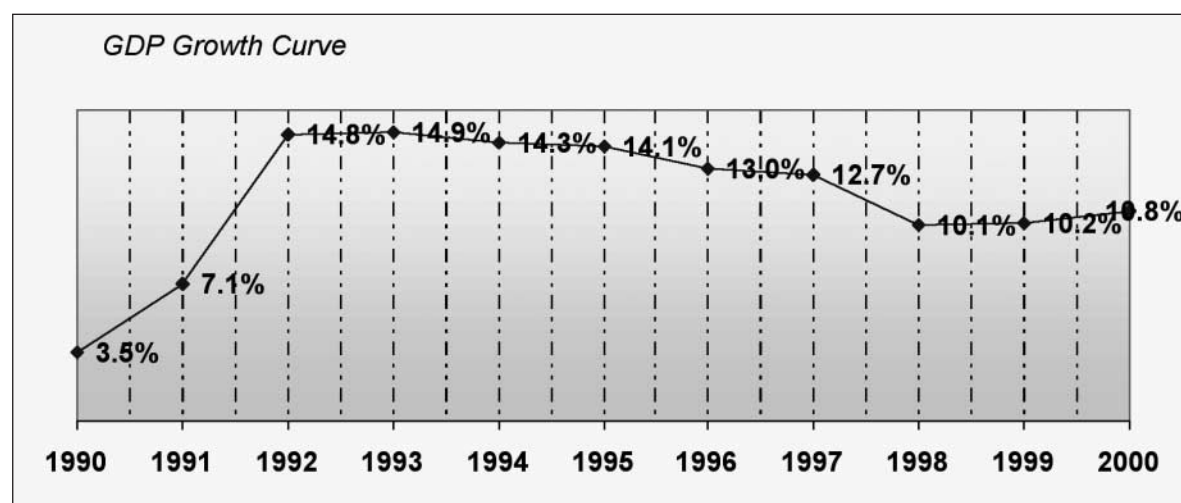
Ten years ago, the number grew to 32%. In 1999, this industry has shared almost the same portion of GDP as secondary industry.

Last year it finally overtopped the secondary industry to 50.2% of the GDP and contributed 57.3% to the city's GDP growth in 2000. Several sectors, which were once thought to be new, have gradually become the pillars through the last ten years' efforts by the city. The following table gives a glance of the rapid growth of these sectors on the basis of year-to-year comparison.

Performance of New Pillar Sectors

	Added-Value (CNY billion)	Increase over 1999	Proportion in GDP
Information Industry	35	28.8%	7.7%
Finance & Insurance Industry	69		15.2%
Real Estate Industry	24	14%	5.3%

Especially the information industry has made great strides last year. The completion of the seven backbone projects of the program so called "Shanghai Information Port" absorbed investment of CNY 1.55 billion (USD 187 million), in which CNY 120 million coming from the city government. These key projects include computer center, internet service hub, underground cabling for telecom companies, ADSL link and interactive TV cables between the broadband highways and city's home





## Economic Indicators of Shanghai (Year 2000)

Indicator	value	over year 1999
<b>GDP</b>	<b>CNY 455 billion (USD 54.8 billion)</b>	<b>+10.8%</b>
– Primary Industry	CNY 8.16 billion	2.2%
– Secondary Industry	CNY 219.7 billion	9.8%
– Tertiary Industry	CNY 228.26 billion	13%
Social Retail Sales	CNY 172.2 billion	8.3%
Fixed Assets Investment	CNY 186.1 billion	0.2%
Added-Value by industries	CNY 199.1 billion	10.5%
International Trade	USD 54.71 billion	41.7%
– import	USD 29.36 billion	48.1%
– export	USD 25.35 billion	35%
Unemployment rate of urban population	3.5%	

and office computer users, etc. Another big news happened in the city's telecom industry last year is that the state-run local telecom business operator, *Shanghai Telecom Company*, has set up a joint venture with the AT&T. The JV, *Shanghai Xing Tian Communication Co, Ltd*, is approved to run IP business in Pudong district and provide value-added telecom service. Experts comment that this JV establishment is a signal that Shanghai is opening the door of its telecom market to foreign companies.

### 1.2. Reform of the Pattern of Ownership of Economic Entities

Another factor attributing to the city's GDP growth last year is the continuing reform on state-owned enterprises (SOEs). Last year, about 600 SOEs went through restructuring the consistence of investors. 64 SOEs declared insolvency. These measures, in addition to the 38 preferential policies to encourage small and medium-sized enterprises, have consequently left more room for the development of non-state economy. Non-SOEs refer to the economic entities that are in collective, private or individual ownership.

While the percentage of the debt-ridden state-owned or holding enterprises has declined from 20.5% to 14.4%, the contribution of non-SOEs to the GDP has quickly increased from 24.8% to 26% by generating the added value of CNY 118 billion, up by 16.1% over 1999. Among non-SOEs, private enterprises have contributed 6.1% to the GDP with the added value of CNY 27.9 billion. By the end of year 2000, the number of private enterprises has reached 138'000 with the work force of nearly 360'000 people. The non-SOEs' share in the city's total fixed assets investment also grew from 46.9% to 52.1%, outstripping the state investment for the first time in the past 50 years.

Although the total amount of non-state investment and the number of private enterprises are impressive, the

overall financing structure contains significant flaws. First, nearly 90% of the non-state investments have concentrated in the fields of real estate and industrial manufacturing. Secondly, investment from private enterprises is still too weak, due to their limited assets amount and competitiveness.

## II. Outline of the Blueprint for 2001 and the Next 5 Years

Mayor Xu Kuangdi and directors of the city's *Planning Commission and Finance Bureau* addressed the *Shanghai People's Congress* on February 7th, 2001 and published this year's blueprint and the 10th Five-Year Plan mapped out by the government. According to Mayor Xu, the next five years will be the crucial period for the city to propel the progress of building Shanghai into a modern finance, trade and transportation center and founding the key role as an international city in Asia. He expects the city's economy to grow at an average of 9 to 11 percent within the next 5 years.

### 2.1. Projected Economic Indicators For 2001

The municipal planning commission projects that the city shall fulfil the following economic tasks this year:

- GDP growth by 9-10% ;
- Industrial added-value grows by 9.5%
- Social retail sales grows by 8%
- Fixed assets investment of CNY 190 billion
- Export volume reaches USD 28 billion
- Unemployment of the urban population stays around 4.5%

## 2.2. Structure of Industrial System

The next five-year plan as a whole is featured by the municipal government's resolution to continue the reform. First of all, the city will rely on such new Pillar Industries as the information technology, finance, commerce & trade, automobile manufacturing, real estate. These sectors will be the most important engines to power the city's economic growth. Especially the hi-tech industry represented by the information technology is considered as the priority task. For example, by 2005, telecommunications, computer and software industries shall make up 13% of the city's GDP and by this year 8.8% of the GDP. Meanwhile, the city will give further support to 4 new sectors: biomedicine, environment protection, new materials and transport logistics in the hope that they will turn into new pillars in the future.

As for the structure of economic ownership, the city calls for a more flexible "oval" pattern. In this pattern, economic entities with pure state or pure private capital will constitute only the minor part. Instead, those in mixed ownership will make up the dominant percentage. According to the city's 10th Five-Year plan, the city aims that by year 2005, the non-state economy's contribution to the GDP will be improved from last year's 26% to 40%. By utilizing the capital market, state investment will gradually draw out from the traditional industries of food, drink, plastics, metal products etc. and shall switch to the high-tech and the pillar industries, such as fine steel, petrochemicals, automobile, electronics and information technology.

## 2.3. Industrial Layout

Apart from the internal system adjustment, the city government also for the first time starts to designate the layout of industrial enterprises according to their types. On January 6th, 2001, the 23-km<sup>2</sup> Shanghai Chemical Industry Park piled in the Caojing area in the southern Shanghai near the Hangzhou Bay. With first phase investment of USD 18 billion, the park will accommodate both international and domestic leaders in the chemical industry. So far, big names like BP, BASF, BAYER and HUNTSMAN as well as China and Shanghai Petrochemical Groups have decided to invest billions of USD in production projects there. Already in the north near the Yangtze river estuary the Bao Steel base is located and in the east is the Pudong automobile base.

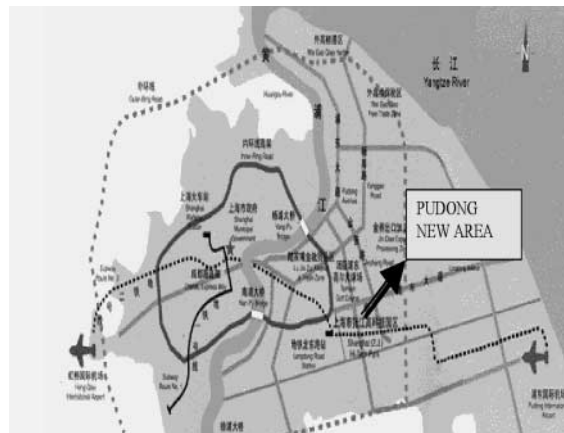
### Sources:

*Consulate General of Switzerland, Shanghai*

### Figures:

1. *Statistics Bulletin Issued by Shanghai Statistics Bureau*
2. *Mayor's Speech at the 4th Session of the Shanghai Municipal People's Congress (07/02/01)*

At the people's congress assembly, the government further has disclosed the plan for a new industrial layout, called *three belts*, as follows:



■■■■■ OUTER RING HIGHWAY

———— INNER RING HIGHWAY

- Outside the Outer Ring Highway is the belt for basic and equipment industries.
- Between the Outer Ring Highway and Inner Ring Highway is the belt for urban industries, Hi-tech & auxiliary industries.
- Within the Inner Ring Highway is the belt for urban industries.

## 2.4. Infrastructure Construction

Although the budget unveiled by the municipal government tells that more funds will be allocated for SOEs and less for infrastructure, the urban construction department has declared an impressive project list. This year, more than 20 major projects of tunnels, bridges and highways will start construction. These projects include 6 rail transportation lines with altogether 100-km-long, 140-km highway and 4 cross-river facilities.

By the end of 2005, there will be 6 bridges and 6 tunnels over the city's Huangpu River. Currently, the two sides (known as Puxi and Pudong) are linked by Yangpu, Nanpu, Xupu, Fengpu and the oldest bridges, two vehicle tunnels and one pedestrian tunnel.

Besides extending the metro and light-railway lines, the city started to construct a magnetic-levitation railway early this year. The 33-km line will link a station of the Metro line No. 2 with the Pudong International Airport. The construction is estimated to be complete in early 2003.

Anzeige  
furness  
sw

# Success in China Through Human Resources

## Downsizing, Restructuring, Reengineering, Retrenching & Laying-off Local Chinese Employees in China

When your organization has more people than your operations call for, you have an over-manning situation on your hands. If this over-manning lasts for a long time, action will need to be taken to bring the manpower level in line with your operational requirements.

Over-manning may result from a host of reasons, which may include:

1. Changed market conditions, resulting in reduced requirements for a company's services or products;
2. An internal decision to outsource certain non-core services/functions;
3. Organizational streamlining and improvement in manufacturing/business processes which results in headcount savings;
4. Organizational improvement in efficiency through acquisition of new equipment which results in headcount savings;
5. The taking on of more employees than needed from the Chinese partner when a joint venture is first formed;
6. The merger into or acquisition by another organization;
7. A combination of these or other factors.

When an over-manning situation occurs, it will become necessary to resort to retrenchment to bring the workforce in line with business needs. And while employee reductions are never pleasant for a company anywhere in the world, they will prove especially difficult and painful in China.

At this point, it might be appropriate to mention the employee mix which a foreign organization is likely to have. Basically, a foreign company may have under its employment two major categories of local employees. They are (1) employees with traditional Chinese values and (2) those with contemporary Chinese values.

Employees with traditional values:

1. Prefer to have well-defined rules;
2. Emphasize seniority, status, service and age;
3. Prefer to practice paternalism;
4. Tend to be slower, reserved and reactive;
5. Tend to speak generally and with less precision;
6. Tend to handle authority with acceptance, dependence, submission, obedience and conformance.

Moreover, they tend to be sensitive and "face" conscious, and will not openly express their discontent or disagreement. In a group learning experience, they tend to remain quiet and fear expressing opinions that may offend others.

Employees with contemporary values:

1. Are people-oriented, flexible, open to advice;
2. Are eager to improve themselves professionally;
3. Are responsive, objective, adaptable;
4. Have career and salary expectations which, occasionally, may be considered too premature or unrealistic;
5. Have strong desires to be recognized for a job well done;
6. Enjoy open and frank communications with their supervisor;
7. Are interested in challenges;
8. Want to be independent where a career is concerned;
9. May be recent university graduates or have worked for a foreign invested enterprise;
10. Are eager to get along with their bosses and colleagues.

Moreover, employees who are more contemporary in their values and know-how will normally be more marketable. They are less vulnerable to being declared redundant and their tool kit is quite up to date. Even if they are being declared redundant, they will usually cooperate with the organization, pick up a reasonable severance package, and move on with their life.

On the other hand, when traditional employees are confronted with redundancy, it will be a big shock to them. They will, oftentimes, try every means to hold on to their jobs. Their expectation had been to work until retirement. All along, in the past, they were told that theirs would be a lifelong employment. Now, though they still love the organization, the organization has turned around and told them that their service is no longer required.

We have to understand the background of these traditional employees. Typically, these are the employees that an organization has inherited from a Chinese partner. They are usually long service employees. In the past, life employment was guaranteed by the state, who was the only employer. In fact, all their life and living center around the organization, the Dan Wei. They look to the organization for the satisfaction of their career, financial, social, educational, housing and medical needs. To them, the Dan Wei is one big, happy family that looks after almost every need of its employees.

When they have been taken over by a joint venture company, they still have the same expectation. Although they may sign labor contracts lasting for 2 or 3 years, they believe that labor contracts are merely a formality. They entertain the expectation that these contracts will be automatically renewed. Many with service longer than ten years are given labor contracts for an indefinite period. To them, these indefinite period contracts mean permanent contracts. When they joined the joint venture com-

pany, they were told that the foreign partner is among the top Fortune 100 to 500, that the foreign partner is rich in financial resources, technology, management, know-how. For these reasons, they expected that a move to the new company would be better than remaining with the old Chinese partner's shop. In their minds, profitability, productivity, changes in the competitive/ technological environment of the organization, etc., were rarely the concerns of employees because the state would look after all these things, while they should just be obedient and do what they were assigned. Now they are being told that they will be laid off and will have to leave the big happy family. They will be on their own. Too accustomed to paternalistic cradle-to-grave care and management, they have lost touch with reality. To them, being laid off may seem a death sentence.

So we must understand why some employees become so desperate when they are informed of their being laid-off. They are about to leave a familiar and comfortable environment for the unknown world.

It is proverbially true that prevention is better than the cure. Wherever possible, we should endeavor to avoid having a situation like this. Here are some approaches which management may consider using:

1. During joint venture negotiations, resist pressure from the Chinese partner forcing you to take any more of the Chinese partner's existing employees than your operation requires;
2. Conduct tests to determine that those you take on are relatively literate, numerate, skilled, dexterous;
3. Ensure that those you take on are relatively young and healthy;
4. Ensure that new hires understand the realistic work life in the new joint venture;
5. Ensure that their pay and promotion will be performance-based rather than seniority-based;
6. Provide training and development;
7. Align your pay to the market;
8. In selecting supervisory and management staff, make sure that they possess the right attributes and values similar to those of the foreign partner;
9. Constantly remind employees that career management is the responsibility of the individual, and that the organization is prepared to assist them;
10. Ensure that reward systems reinforce the above.

However, it may well be that you already have employees in your hire that, in the near future, you may have to lay-off. Or, perhaps you are already planning a staff reduction. You can still apply some of the 10 points outlined above.

While there is no way of making a downsizing pleasant, the main thing is to demonstrate your willingness and concern for each employee's well-being, and to drive home the point that they should be self-reliant at all times. At all times, the organization should be seen as being a fair and reasonable corporate citizen. Hopefully, employees will realize the limitations of the organization to assist them.

And remember, many things can be done to ease the psychological stress of a layoff. With planning, proper communication and care, the unpleasant necessity of downsizing can be accomplished with less stress on the individuals concerned, as well as on the organization.

Partners of Horton International China, a human resources and general management consulting firm located in Shanghai, China with office in Beijing, will be presenting articles dealing with human resources management and general management in China. The topics to be covered will include discussions in the areas of staff recruitment, intercultural differences, staff retention, compensation and benefits, business ethics, termination and downsizing, interim management support, staff and payroll outsourcing, policies and procedures and other general management and human resources management consulting.

Our belief is "When you solve people problems, most of the other problems will disappear." Horton International China is a human resources and general management consulting firm specializing in executive search, management and payroll outsourcing, termination, downsizing, strategic diagnostics of China business, organization development, corporate culture & business ethics program development.

For further information, please contact us at [hans.rusch@hortonchina.com](mailto:hans.rusch@hortonchina.com)



## ABB to Increase Presence in China

Asea Brown Boveri (ABB) Group aims to build China into one of its three largest markets in the next 10 years, according to the company's president and chief executive officer Jorgen Centerman. The group sees China as one of its most important markets after the United States and Germany, Centerman said. "We have massive opportunities in China as it is a market with tremendous potentials", he said in an interview with Business Weekly.

At present, China is not one of ABB's 10 largest markets. The group reported a revenue of about US\$750 million in China last year against a global total of more than US\$22.96 billion, Centerman said during an annual press conference last week. To fuel its business expansion in China, ABB plans to increase its investment in the country to US\$ 1 billion in coming years from the current level of US\$ 600 million. ABB's business in China is expected to grow much more rapidly than the group's global average, Centerman said. The group has set a target of 6 per cent average revenue growth annually from 2001 to 2005. Markus Bayegan, ABB's chief technology officer, had said earlier the group plans to have 8 to 10 per cent of its total orders and revenue come from China by 2010. What differentiates ABB from its international competitors in China is its ability to add value locally. Centerman continued: "We are committed to creating value through manufacturing, engineering and after-sales services in China."

The group has launched 25 joint ventures and wholly-owned companies in China. Peter Leupp, president of

ABB (China) Ltd, said the group's major rivals for the market were other technology companies, such as Siemens and Alstom. ABB is prepared to transfer its state-of-the-art technologies and share them with business partners in China. "We will offer cross-border co-operation with Chinese research and academic institutions," Centerman said. The group, for example, will finish transferring equipment worth US\$ 1.5 million from its corporate research laboratories in Switzerland to Tsinghua and Tianjin universities by April. The equipment will be used to investigate greenhouse gases to reduce pollution. Bayegan had said more than 100 scientists were expected to engage in ABB's research and development projects in China within the next two or three years. Centerman noted ABB would continue to implement its strategy without major changes in China after the country's accession to the World Trade Organization. "At the same time, we need to deepen our value-added chain and become more cost effective," the CEO said, adding that he believes the group has found a win-win formula in China.

During the press conference, Centerman also said ABB would broaden its offering of industrial information technology to drive further growth. The group's earnings before interest and taxes increased by 23 per cent to nearly US\$1.39 billion in 2000 from that of the previous year.

*Source: Business Weekly*

## Franke Expansion in China and the Philippines

After successfully acquiring the remaining shares of its partner in 1999, Franke (Heshan) Kitchen Equipment Co. Ltd, Heshan City/China developed positively. For this reason, Franke Holding AG decided to expand the production facility, which manufactures kitchens for quick service restaurants as well as sinks. At the same time last year, Franke Contract Group Philippines, Inc. was established.

In order to keep up with the business development in China as well as the increased export activities into the neighbouring countries, the production capacities had to expand to cover the increasing demands on Kitchen Systems and Contract Group. The enlargement of the manufacturing area amounted to approximately 5000 qm and was completed on time. The investment totaled altogether 7.5 million USD. The number of employees increased from 150 to 235 persons.

Franke Contract Group Philippines Inc. was established at the same time in autumn 2000. The new Franke Contract Group company, located in Makati City, will produce kitchen equipment for quick service restaurants. At present, the manufacturing plant is under construction and costs will amount to approximately 3 million

USD. Start up of the line is planned for March 2001. For Franke's second largest division, Contract Group, this foundation is a strategically important step; the fast growing demand in the Eastern Asia region made necessary a manufacturing plant in the Philippines, an area that is very centrally located. In terms of faster market penetration, a strong sales structure is set up now not only on the Philippines, but also in the neighbouring states.

The Franke Group today is globally active with 62 companies and approximately 5,500 employees worldwide. In addition to the Kitchen Systems division (sinks, fixtures and fittings, ovens, cooking hobs, extractor hoods, etc.), Franke is also successful in the Contract Group division (producer/service provider for quick service restaurant chains) and Beverage Containers (drink tanks for the beer and soft drink industry, containers for the chemical and pharmaceutical industry). All three are global leaders in their fields.

*Information:*

*G. Hepp/P. Boerner*

*Corporate Communications*

#### Logistics. Worldwide.

With a strong presence on every continent, the Danzas Group is one of the world's leading providers of logistics solutions. Its 43'000 employees worldwide generate annual net sales of EUR 8.3 billion (USD 7.8 billion, CHF 12.9 billion) in 2000. Danzas is based in Basel, Switzerland, and belongs to the Deutsche Post Group.

**DANZAS** **AEI**

**INTERCONTINENTAL**

# Comprehensive global solutions.

#### Intercontinental

Worldwide no. 1 in air freight and a leader in ocean freight, Danzas and AEI together offer a world-spanning network and truly comprehensive service: Starconnect covers all air freight requirements. On the high seas, Marconnect's scheduled general cargo services link the world's main markets. Full container loads are also handled worldwide. Intercontinental saves you both time and money by offering the best freight transport combinations as well as all logistics functions for large infrastructure and industrial projects.

Gruner & Bannmann AG Basel



# Agie Charmilles Opens New Sales Company in Shanghai

## Expansion of market presence in China

The Agie Charmilles Group opened a new sales company in Shanghai on 16 January 2001 to reinforce its market presence in China and strengthen its position in the strategically important high-volume market for entry-level machines. The Group expects to double its sales in the Chinese market over the next three years with its comprehensive range of electric discharge machines and high-speed machining centers.

On 16 January 2001, the Agie Charmilles Group, one of the world's leading supplier of machinery for the tool and mold making industry, achieved another milestone in the expansion of its operations on the Chinese market: In the presence of the Swiss ambassador to China, Mr. Dominique Dreyer, ceremonies were held to open the sales company Agie Charmilles Shanghai Ltd. The facility has a floor space of 2000 square meters for sales, service and training as well as a warehouse and several showrooms for displaying the Agie, Charmilles and

Actspark brand electric discharge machines and the Mikron and Bostomatic machining centers. The company employs 50 people.

This step to expand its market presence in China will not only help the Agie Charmilles Group to consolidate its leading position in the high-end and standard range, but position it among the leading players in the high-volume entry-level market. This segment has a potential of some 10,000 EDM machines annually and is currently served mainly by local suppliers. The Group can now also serve the entry segment because it has added the Actspark brand, produced locally at the Agie Charmilles plant in Beijing, to its product range.

## Profile of the Agie Charmilles Group

As the top manufacturer of electric discharge machines (EDM) and high-speed machining (HSM) centers, the Agie Charmilles Group – the Manufacturing Technology



*Speech by Dr. Stirnemann at the inauguration ceremony in front of Agie Charmilles China Shanghai main entrance with coverage of Shanghai Television.*



*Lion Dance Lighting Up Ceremony – The Lion Dance originated from the Tang Dynasty 1200 years ago in ancient China. Legend has it that the Chinese Emperor had a dream about a strange creature saving his life and he described it to his wise minister. The minister told the Emperor that it was a lion. Since then, the Chinese have had the Lion Dance to celebrate Chinese New Year, and it has been used at opening ceremonies of events to bring good fortune.*

*The lion is an active animal, thus a symbol of prosperous growth for a new company. The eyes of the lion are very sharp and can see very far away. The lighting up of the lion's eyes indicates that the leaders of the company have good foresight. As a local company, Agie Charmilles Shanghai wants to take this golden opportunity to give the new company the best blessing possible – the Chinese way.*

group of the Georg Fischer Corporation, its main shareholder – is the world's leading system supplier to the tool and mold making industry. Both EDM and HSM are key technologies in the manufacture of molds and press tools for the mass production of plastic and metal parts as well as in the direct machining of complex precision components. As a globally active group, Agie Charmilles employs 3,000 people and maintains a presence at more than 50 sites worldwide through its own organization. The Group posts annual sales in excess of CHF 1 billion with its brands Agie, Charmilles and Actspark, the combined market leader in EDM; Mikron and Bostomatic, the global number 2 in HSM centers; and the EDM peripherals and consumables manufacturers Intech and Mecatool.

**For further information, please contact:**

*Media and Investor Relations  
Roland Abt, CFO Agie Charmilles Group  
Tel. +41/(0)22/783 36 19, fax +41/(0)22/783 32 68  
E-mail [roland.abt@agie-charmilles.com](mailto:roland.abt@agie-charmilles.com)*

## Bank of China Signs Agreement with SCS

On April 11, 2001 the Bank of Shanghai CEO, Mr Fu Jianhua signed an agreement with the Swiss Center Shanghai (SCS), confirming its engagement to become a member of the SCS and its intention to open a Branch in the Center itself.

The Swiss Center Shanghai is a not-for-profit private initiative, supported by governments and institutions. With workshop, exhibition and office space as well as services made efficient via economies of scale, it will provide the necessary service and physical infrastructure for Swiss SMEs that follow multinational companies to do business in China.

On the same occasion, the Bank of Shanghai (BoS) and the China Development Bank (CDB) signed an agreement whereby the BoS will represent the CDB in Shanghai area to promote the Sino-Swiss Partnership Fund. The SSPF is a joint Chinese-Swiss fund to take equity in Swiss Small and Medium Enterprises' daughter companies in China.

This Swiss-China Joint-Fund is the first of its kind and it is managed by the CDB.

Di Weiping, General Manager of the Investment Banking Department of the China Development Bank and former China Central Banker said: "The Bank of Shanghai is the best of the Regional Banks in China and one of the best, countrywide."

Through its partnership with the Swiss Center Shanghai, The Bank of Shanghai expects access to the Swiss Enterprises members of the Center and its future clients, setting-up operations in Shanghai.

In turn the SCS is able to offer its member best in house professional banking services and an access to local loans for their China operations.

*For further information visit  
[www.swisscenters.com](http://www.swisscenters.com)*

# Hong Kong with Strong Show in Basle

*TDC Gave Strong Support to Hong Kong Delegates at World Watch, Clock and Jewellery Show 2001 in Basel, Switzerland with Image Promotion Campaign  
Total of 315 Exhibitors Form Fourth-largest Exhibiting Nation*

315 HKSAR exhibitors (2000: 306) made a very strong showing in the recent World Watch, Clock and Jewellery Show 2001 at Basel, Switzerland, which ended on 29th March. A representative cross-section of two leading Hong Kong industries had come to this showcase with a clear statement: Hong Kong has a lot to offer in excellent design and up-market items be it in timepieces or sparkling jewellery. While the overall flow of visitor traffic did not seem as lively as last year, trade buyer quality was clearly first class.

„With this strong presence, Hong Kong confirmed once again its leading position as the fourth-largest exhibiting nation after Italy, Germany and Switzerland”, says Lore Buscher, the Frankfurt-based Regional Director of the Hong Kong Trade Development Council (TDC). Also, I was happy to note that more and more of our companies are aiming up-market with their own brands.”

With more exhibition space, now amounting to 6,000 square metres, new activities and fresh ideas the TDC strongly supported the marketing activities of its 300 industry delegates to attract international trade media and buyers during the eight days of the show. The number of companies was the same as in 2000, also present in two pavilions.

While the 124 makers of innovative jewellery creations registered total orders at a value of US\$ 48.6 million, total business concluded by the 176 timepiece manufacturers amounted to US\$ 79.1 million. All in all, for the

two sections business concluded amounted to US\$ 127.7 million; of which US\$ 70.8 million were direct orders. This compares with a total of US\$ 202 in 2000.

Although buyers had become more cautious this year in ordering, the overall impression of exhibitors was positive, however, as, overall, they were able to make around 11,000 new contacts with the right calibre of buyers. 15,653 serious business enquiries were reported by the companies while the TDC information counters were able to take on more than 2,000 trade enquiries and 160 registrations to TDC-Link, the business databank.

According to a TDC evaluation right after the show 61% of the jewellery and 58% of watch & clock delegates stated that the market potential was good or very good. And 82% resp. 79% of the companies were happy with the TDC service on site. Around 90% of the Hong Kong exhibitors would like to come back to Basel. A clear indication that there was a positive mood in the Hong Kong stands in spite of the after effects of the Asian economic crisis and the firm US dollar.

More than 100 media representatives highly complimented the TDC presentation at the international press conference with a Hong Kong industry video and a Lion Dance. Just as happy were the 250 guests who attended the colourful and festive stand opening ceremony, yet another highlight, in the new spacious lounge where the Lion made another appearance to the guests of honour, amongst them Mr René Kamm, Managing Director of the Basel Fair, Mr Leung Sik Wah, Chairman of the TDC Jewellery Advisory Committee and Mr Bob Chong, Chairman of the TDC Watch & Clock Advisory Com.

During the course of the week a video screen, an Internet Café, some mini-receptions and traditional Chinese music also attracted numbers of customers to the Hong Kong pavilions.



*F.l.t.r.: Mr. Leung Sik Wah, Chairman, HK-TDC Jewellery Advisory Committee, Mr. Dennis Yau, Deputy Executive Director, HKTDC, Mr. René Kamm, General Manager, Messe Basel, Mr. Bob Chong, Hong Kong Watch Manufacturers Association Ltd.*

# anzeige natural

In his speech to the media, Dennis Yau, TDC Deputy Executive Director, pointed out the strong commitment of Hong Kong companies to the highest quality standards, their investment in latest hi-tech, their flexibility in meeting the changing market trends and their cost competitiveness.

As expected at a time of downswing in the US economy, business with this major market for Hong Kong was low. Only 9% of the Basel visitors came from the US resp. Canada. Overall attendance of trade buyers was however fully international. A good number of EU customers, especially from Spain, Italy and Eastern Europe as well as South American, Indian, Russian and Middle and Far East buyers flocked the Hong Kong pavilions. 48% of this year's Basel visitors came from Europe, 28 % from Switzerland and 9% from Asia.

The top selling items in jewellery sector were coloured stones like rubies, pink and yellow sapphires, tourmaline and tanzanite as well as diamonds, in particular black ones. Pearls and Jade sold well and apart from platinum, yellow gold is now back in favour, too. The preferred price range below US\$ 1,000 was popular.

When asked for their preference in watches buyers voted for trendy multi-functional sports watches, two-tone models and fashionable items in the lower price range after several seasons having been dominated by stainless-steel timepieces. There is also a trend towards

mechanical automatic watches. At the same time gold-plated watches or those set with diamonds are in demand amongst the higher-priced items. Much in fashion are also their counterparts where plastic straps and cases contrast with a diamonds setting.

## Hong Kong's Watch, Clock and Jewellery Industry

Hong Kong is the seventh-largest precious jewellery exporter worldwide. In 2000, total exports totalled 1.6 billion US dollars in value – a 29% increase on the previous year. According to the HKTDC, Hong Kong's watch and clock manufacturers also recorded a rise in exports in 2000. After slight fall-offs in the previous years, total exports in 2000 amounted to 5,6 billion US dollar in value – a rise of 4%.

*The next Basel Show will take place from 14th – 21st March, 2002.*

*For further information please contact:*

*Mrs. Daniela Konrad*

*Hong Kong Trade Development Council*

*Frankfurt, Germany*

*e-mail: [frankfurt.office@tdc.org.hk](mailto:frankfurt.office@tdc.org.hk)*



# The WWF in the Middle Kingdom

*"The most important task, if we are to save the Earth, is to educate" Sir Peter Scott, co-founder of WWF International 1961.*

China is a land with a rich biological diversity. A land with an extraordinary flora and fauna. But the population and consumer pressures are growing.

For a sustainable future, China must actively link economic and ecological interests. The environmental behaviour of the Chinese population is of global importance.

Against this background, WWF has decided to invest specifically in increasing public awareness of the environment and information. The prerequisites for successful environmental education work in China are ideal at the present moment. The Chinese school system (from the kindergarten up to the secondary school level) is at present undergoing a fundamental reform. The WWF was invited by the Ministry of Education to make an important contribution towards reshaping the school curricula.

## Environmental Education with a Snowball Effect

The heart and hub of WWF environmental education in China is a team of three in Beijing: Since 1997, it has initiated,

co-ordinated and evaluated the extensive environmental education programme. At the centre of WWF's task is the involvement and training of key persons who actively bring environmental education into their work and help to propagate exemplary solutions. With the specific increase of public awareness and training of what are called "multipliers", the WWF can achieve a great effect with relatively limited financial funds. One example: China's centralist school system makes it possible to reach some 200 million schoolchildren with one textbook.

The financing of the work of the WWF core teams for environmental education in China is still not secure for the next five years (2001–2005).

The environmental education programme includes various projects, three of which are presented here:

## Environmental Education Thanks to Committed Teaching Personnel

### Environmental Educators' Initiative

Objective of the project:

*The Environmental Educators' Initiative enables people, through the acquisition of understanding, skills and values, to participate as active and informed citizens in*



*Children in Panda Reserve in Sichuan. The teacher is holding the injured pheasant they saved.*

*the development and maintenance of an ecologically sustainable, and socially just and democratic society.*

The WWF launched the *Environmental Educators' Initiative* in response to the Chinese government's demand to strengthen environmental education country-wide.

The WWF campaign is striving for the comprehensive embedding of environmental education in the curricula of ordinary schools and teacher-training colleges. The present moment in time is ideal for influencing and helping to shape school curricula in China: The WWF was invited to contribute its experience in the field of environmental education when helping to draft the curricula (from the kindergarten up to secondary school level).

The *Environmental Educators' Initiative* wants to promote interdisciplinary access to topics in the field of nature and environment. Environmental education is not intended to be treated as a separate school subject, but to flow in as a method into all subjects. The *Environmental Educators' Initiative* wants to strengthen the teachers' own responsibility, but also that of the pupils – explorative, re-searching learning is intended to replace frontal teaching.

#### **What has been achieved up to now:**

##### **Phase I (1997 to 2000)**

- 32 directors of teaching-training colleges have been trained in environmental education – they are decisively involved in the introduction of environmental education in teacher-training colleges throughout the country.
- 4 environmental education institutes have been founded at the following universities: Beijing Normal University, East China Normal University (Shanghai), Southwest Normal University (Chongqing), Hunan Normal University (Changsha)
- 72 tutors (teacher supervisors) in 6 regional education departments have been through a comprehensive environmental education programme. Their task is the introduction of environmental education and its implementation in primary and secondary schools at provincial level.
- Environmental education programmes were introduced at 28 pilot schools (primary and secondary school level). The training and further training of the some 230 teachers is ensured by the environmental training institutes at the universities in Beijing, Shanghai, Chongqing and Hunan.
- The first teaching material on “Environmental education & sustainability” is being introduced in China. It was produced in a participatory process with the involvement of experienced teachers and environmental experts.

The following concrete indicators illustrate the performance and effect of the *Environmental Educators' Initiative (EEI)*:

- The national ministry of education has approved the teaching material on “Environmental education & sustainability” and employs this at the national teacher-training colleges.
- The East China Normal University in Shanghai has introduced a master's programme in environmental science as the first university in China to do so.

# WALU

**W. Lutz Ing. Büro für  
Umwelt- und Verfahrenstechnik**

Lettenmattstr. 31 / P.O. Box CH-8903 Birmensdorf  
Tel.: 00 41 / 1 / 737 37 91 Fax 00 41 / 1 / 737 32 21  
E-Mail: 113036.1564@compuserve.com

Industrieabwasseranlagen im Modulsystem  
Galvaniken, Metallverarbeitung, Fahrzeugunterhalts-  
betriebe

Beispiel: Abwasseranlage Hauptwerkstätte Biel der SBB



Unsere Erfahrungen in China seit 1996 können auch Sie nutzen:

- ☐ 2-wöchige Einführungsreise für geschäftlich Interessierte nach Bei Jing und Cheng De mit Einbezug von Messegeländen etc.
- ☐ Stadtpläne, Taxi-Karten und Kurzsprachbücher im Versand
- ☐ Informationen zur Reise- und Messeeteilnahme – Vorbereitung für Neu-Einsteiger in China
- ☐ Mandate für Abklärungen und Projekte im Anlagenbau und für Industrieberatung in China

- In the province of Jiangsu, the department of education has introduced the textbook “Environment & Ecology” for primary and secondary school pupils. This now reaches hundreds of thousands of schoolchildren in the province of Jiangsu.
- Tutor programmes at the universities of Beijing, Shanghai, Chongqing and Hunan train officials and the decision-makers in education departments, as well as teachers in environmentally relevant topics.

*(continued on next page)*

## Outlook: Phase 2 (2001 – 2003)

On account of the success of the *Environmental Educators' Initiative*, the project is going into a second phase in which the training of teachers at various school levels will play an even greater role, and the implementation of environmental education is to be embodied especially at primary and secondary schools. The Ministry of Education has invited the WWF to formulate the environmental education guidelines for the new, national curricula in collaboration with teaching staff.

A further five environmental education centres are planned at universities and teacher-training colleges in all provinces of China – the training of more than 3,000 teacher supervisors can thus be ensured.

As a long-term outlook, the *Environmental Educators' Initiative* will reach millions of schoolchildren directly and indirectly.

## Environmental Education Thanks to Committed Editors and Publishers

### People's Education Press (PEP) / Curriculum Development Institute

Objective of the project:

*To incorporate Environmental Education contents and methods into primary and middle school curricula in China.*

Some 80% of the teaching materials published for the primary and secondary school levels in China are produced and published by the People's Education Press (PEP).

As a unit of the Ministry of Education, in addition to the production of teaching material the People's Education Press/Curriculum Development Institute is also responsible for the redrafting of teaching curricula. The WWF, which has been active in China since 1980, is an important partner to PEP/Curriculum Development Institute in the field of environmental education and curriculum drafting.

The WWF environmental education team holds training courses for the staff of the People's Education Press. Topics from the field of nature and the environment, as well as the methods of environmental education are to be made more accessible to publishers, editors and journalists. The objective is a holistic, interdisciplinary integration of environmental education into all teaching material as well as into the new curricula.

The first teaching material in China on environmental protection and sustainability ("Education for Sustainability") appeared in 1999. The WWF developed and produced it in collaboration with the PEP and teachers from the primary and secondary school level.

At the present, further didactic aids for environmental education classes are under preparation by PEP and WWF: posters, videos and tape cassettes. The exchange between PEP and the 28 pilot schools of the *Environmental Educators' Initiative* ensures and guarantees an efficient and effective transfer of knowledge.



*Love the Earth Summer Camp conducted by Environmental Education Activity Centres (EEAC).*



## Environmental Education Thanks to Committed Village Communities

**Model project for the support and promotion of local village communities for protection and sustainable use in Baimaxueshan reserve in the province of Yunnan**

Objective of the project:

*Empower local communities through a process of education to actively participate as citizens in making decisions and taking action to manage their environment and natural resources sustainably.*

The key to the well-being of human beings and the protection of the environment in Baimaxueshan reserve in the province of Yunnan lies in finding ways of making the use of resources more efficient, of developing socially and economically acceptable alternatives to practices that pollute the environment and of offering balanced, practical information which allows those concerned to take informed decisions.

Baimaxueshan lies in the Northwest of the province of Yunnan in the mountains of Henduan. The variety of species on this plateau is unique. In addition to 922 species of plants, the indigenous Yunnan snub-nosed langur (*Rhinopithecus bieti*), the snow leopard (*Uncia uncia*) and the clouded leopard (*Neofelis nebulosa*) are also still to be encountered there.

The rich variety of species in Baimaxueshan is in great difficulties: The clearing of the forest areas is leading to soil erosion and the destruction of the ecological system. The population pressure in and around the reserve is growing. The felling of the forests to obtain firewood and construction material presents a great problem.

The main task of the WWF consists in showing the indigenous population that lives in the nature reserve the economic and ecological importance of the park. So the WWF supports and promotes the local population with the gentle use of the forests.

The workshops of the *Community Learning Centres* in Dongshu and Yongdui offer a first step towards increasing awareness of the environment and for the preparation of concrete alternatives in agriculture and the use of the forests. The village inhabitants decide themselves in which fields they would like to have a training course/workshop. The village committee (made up of five to seven elected members) is in charge of the centre and co-ordinates the activities – e.g. in 2000:

- 24 model biogas systems were installed in four villages and training was given in their correct technical use.
- Vegetable gardens were laid out and fruit trees planted.
- Small, interest-free loans were granted to families which could not afford to let their children attend school or harvested too few cereals this year.
- Beekeeping was introduced in two villages.
- 25 village inhabitants were given basic medical training so that they would be able to care for the village's domestic animals better.
- Buddhist dignitaries imparted ideas on the protection of nature and the environment.

### Outlook 2001

The experience and findings from Dongshu and Yongdui are now being made accessible to other village communities – reciprocal visits and workshops are planned for 2001, a transfer of knowledge will take place and the exemplary project experiences will be multiplied in other villages.

# Partners of the WWF's China Environmental Education Programme

## Programmes 2001 – 2005

### With you as a partner

The WWF is asking companies, foundations and private persons to give support for the continuation of the environmental education programme in China.

### As a partner of the WWF's China Environmental Education Programme, you help the WWF:

- to successfully continue and expand the programme with your financial support.
- to communicate the environmental education programme in China and with your conviction and your commitment to make it known in new circles.

- to give a signal with your support as you set a good example for nature and environmental protection in China.

### As a partner of the WWF's China Environmental Education Programme, you profit from:

- Invitations to the annual WWF China events in the exclusive setting of partners, interested parties and guests. You will be informed about the course of the environmental education projects at first hand and learn more about economic and ecological trends in China.

- The WWF communicates – if so wished – the commitment of the *Partners of the WWF's China Environmental Education Programme* in its media:
- WWF Annual Report, circulation 220,000 copies (d, f, i)
- WWF Business Report, circulation 20,000 copies (d, f, e)
- WWF Magazine, circulation 220,000 copies (d, f, i)
- www.wwf.ch
- You can communicate your commitment as *Partners of WWF's China Environmental Education Programme* in your own media (in your business and environmental reports, in your own web site, in your staff newspaper). The WWF will place the text and progress reports, and also picture material at your disposal.
- An alliance with the WWF, the credible and largest nature and environmental protection organisation, emphasises and strengthens your environmental commitment.

## Budget for the core team of the WWF environmental education programme in China

For the successful continuation of the environmental education programme in China by the core team, the WWF needs for the years 2001 to 2005 (5 years)

## Financing being aimed for

Annual financing CHF 240,000  
The WWF asks the *Partners of the WWF's China Education Environmental Programme* for an annual contribution of over CHF 10,000

Individual, further forms of support and co-operation agreements are, of course, very welcome and can be defined to measure.

You can obtain further information and documents on the environmental education programme in German under:

*WWF Schweiz, Internationales Programm*  
*Monica Borner & Simone Stambach, P.O. Box, CH-8010 Zurich; Tel.: 01/297 21 21*  
*Email: simone.stambach@wwf.ch*

*Donation account, Postal Giro account 80-470-3 or account 1100-0204.481 Zürcher Kantonalbank marked Partners of WWF's Environmental Education Programme 6500/52661*

# Reading Suggestions

## China – Eine Weltmacht kehrt zurück

von Konrad Seitz (2000 im Siedler Verlag, Berlin)

Während amerikanische Unternehmen am Horizont ein weltumspannendes chinesisches Wirtschaftsimperium aufsteigen sehen, tritt in der amerikanischen Aussenpolitik China als der grosse künftige Rivale an die Stelle der früheren Sowjetunion.

Konrad Seitz studierte klassische Philologie, Geschichte und Philosophie in Deutschland und internationale Wirtschaftswissenschaften und Rechtswissenschaften in den USA. 1965 trat er in den Auswärtigen Dienst ein, 1980 wurde er Leiter des Planungstabs im Auswärtigen Amt. Er war Botschafter in Indien, Italien und von 1995–1999 in China.

Die Bestseller "Die japanisch-amerikanische Herausforderung" (1990) und "Wettlauf ins 21. Jahrhundert" (1998) begründeten seinen Ruf als klarer Analytiker der weltwirtschaftlichen Trends. Über das letzte Buch schrieb die "Hannoversche Allgemeine Zeitung": "Das Buch zeugt nicht nur von enormer Kenntnis und Urteilskraft, sondern auch von Mut zur Aussage, und es bietet dabei eine angenehme Lektüre."

Von einer Rückkehr Chinas spricht man, weil das

Reich der Mitte über den grössten Teil unserer Zeitrechnung hinweg nicht nur das bei weitem bevölkerungsreichste Land und die grösste Volkswirtschaft der Erde war, sondern die technologisch und administrativ fortgeschrittenste Zivilisation. Im neunzehnten Jahrhundert versank das hochentwickelte Land in tiefe Armut und wurde Halbkolonie des Westens, Russlands und Japans. Es war das Jahrhundert der Demütigung, das bis heute jeden Chinesen prägt. Im zwanzigsten Jahrhundert folgten die Schrecken der Mao-Zeit. Aber seit Dengs Reform 1978 ist China die am schnellsten wachsende Volkswirtschaft der Welt.

Seine Wirtschaft ist heute fast doppelt so gross wie die Indiens und Russlands zusammen und übersteigt nach Kaufkraftparität die Japans. Setzt China seinen Aufstieg fort, wird es um 2020, nach Kaufkraft gerechnet, das Sozialprodukt der USA erreichen. In den nächsten Jahrzehnten kommt eine Wirtschaftsmacht von "mehreren Japans" auf die Weltmärkte zu. Die Kraft und Ausstrahlung des chinesischen Festlandes vereinen sich mit dem weltweiten Netz der Übersee-Chinesen.

## China: Mission Impossible?

by Rainer Thomm

Why find out about China the hard way, when it's so much more fun to read what joys and misfortunes have been experienced by others?

China: Mission Impossible? has deservedly been called "a survivors' lifeline to success in China". It manages to capture the intricate ways of this multi-faceted country, its citizens and its bureaucracy in one easy-to-read, hard-to-forget, volume.

The first edition of China: Mission Impossible? was received with enthusiasm, with many companies, embassies, hotels and individual buyers placing repeat orders (ranging to several hundred copies in some instances\*) for their friends and business associates.

The up-to-date second edition is now available at the special price of USD 49.00 (including airmail postage and packing) for members of the Swiss-Chinese Chamber of Commerce. China: Mission Impossible? is an invaluable business tool, built up from the experience of countless companies, public sector organizations and individuals, with whom the author has been privileged to work over the past 20 years – the ideal guide to finding your way through the many mazes that make up China.

Check out "China: Mission Impossible?" at [www.chinareads.com](http://www.chinareads.com) – better still get your own copy today. Please remember to state "SCCC" with your order.

\* Quantity and educational discounts available

## Neuerscheinungen im Institut für Asienkunde

Bitte kontaktieren Sie die Wirtschaftskammer Schweiz-China für Zusammenfassungen und/oder Bestellungen.

### Wirtschaftsethik in China am Fallbeispiel von Shanghai Protestanten

Zwischen Marx und Hammon  
Von Katrin Fiedler

### Arbeitsmigration in China 1985–1995

Strukturen, Handlungsmuster und Probleme unter besonderer Berücksichtigung der Zuwanderung in Grossstädte des Perlflossdeltas, von Walter Schulze

### Chinaforschung – Forschung in China

Empfehlungen für die Einrichtung eines geistes- und sozialwissenschaftlichen Auslandsinstituts in China  
Von Günter Schucher

### From the Foreword

*China: Mission Impossible? is about relationships, and that's what China is built on. How do we create a relationship? How do we learn to appreciate each other? How do we really listen (instead of talk)?*

*There is one particular American company (a Fortune 500 company) that I have dealt with for a long time. If they had understood what's in this book, it would have saved them millions and millions of dollars. Almost from the start, I thought: "How can they ever get together with Chinese people, if they do not understand the simple principle of relationships, trust and friendship?"*

*You can't make this stuff happen in one day. But some Western businesses don't even seem to have the first idea about how to go about it. So they do one of two things. Either they run to Chinese 'consultants' for help – whose much touted 'guanxi' may or may not be useful. Or they hire China 'experts' – who will often live in Hong Kong in a grand apartment and try to do business in places like Shanghai. You can't do that in China.*

*They make 10,000 dollars, or more, a month, but we know that there is no way that they will get the deal until they move to Shanghai, or Beijing, or Xian, and start getting together with the people they are trying to do business with.*

*China is special, it really is. If you read this book, you might be special as well.*

*This book will liberate you from your frozen perceptions of China.*

Michael J. Smith  
President, World Music USA Inc.

### Die Beziehungen zwischen der Mongolei und der VR China (1952–1996)

Versuch einer Anamnese, von Udo B. Barkmann

### Inflation als Herausforderung der Legitimation politischer Herrschaft in der VR China

Wirtschaftspolitische Strategien in den Jahren 1987–89  
Von Heike Holbig

### Unternehmer als strategische Gruppen: Zur sozialen und politischen Funktion von Unternehmen in China und Vietnam

Von Thomas Heberer unter Mitarbeit von Xiaoming Ji und Arno Kohl

### Umweltschutzrecht der VR China

Gesetze und Analysen  
Von Robert Heuser und Jan de Graaf

# Membership Card Values



The Membership Card of the Chamber is a gesture to say thank you and to give you a special status as a member of the Swiss-Chinese Chamber of Commerce. The Membership Card is valid for one year and will be renewed with every consecutive year after the payment of the membership fee.

The card not only identifies you as a legitimate member of the Chamber but also entitles you to benefit from services rendered by us and the Chapters in Switzerland and the People's Republic of China. Besides our events, members can take advantage of hotel-bookings, consumptions at Chinese restaurants and suppliers of Chinese goods at reduced rates.

Further services will be added according to new partner agreements and are regularly going to be announced in the Bulletin. Below you find the list of Chinese restaurants and suppliers in Switzerland, where you get 10–30 % off the regular price, when showing your personal membership card.

## RESTAURANTS

### Restaurant China-Palast

Petersgraben 21  
CH-4051 Basel  
☎ 061-261 31 13 Fax 061-261 99 46

### China Restaurant Rhein-Palast

Untere Rheingasse 11  
CH-4058 Basel  
☎ 061-681 19 91 Fax 061-261 99 46

### China Restaurant Astoria

Neumarktstrasse 38/rue du Marché-Neuf  
CH-2500 Biel-Bienne 3  
☎ 032-322 83 22 Fax 032-322 83 63

### China Restaurant BAO TAO

Bernstrasse 135  
CH-3627 Heimberg  
☎ 033-437 64 63 Fax 033-437 64 62

### Cheng's China Restaurant (mit Seeterrasse)

Marktgasse 15  
CH-8640 Rapperswil  
☎ 055-210 17 70 Fax 055-410 14 51

### Restaurant Züri-Stube

Steinwiesstrasse 8  
CH-8032 Zürich  
☎ 01-267 87 87 Fax 01-251 24 76  
E-mail: info@tiefenau.ch

### BAMBOO INN

Culmannstrasse 19  
CH-8006 Zürich  
☎ 01-261 33 70 Fax 01-870 38 88  
closed on mondays

### Restaurant CHINA-TOWN

Bälliz 54  
CH-3600 Thun  
☎ 033-222 99 52 Fax 033-222 99 52

### CHINA GARDEN

Schützengasse 12  
CH-8001 Zürich  
☎ 01-211 71 00 Fax 01-212 35 61

### SHANGHAI

Bäckerstrasse 62/Helvetiaplatz  
CH-8004 Zürich  
☎ 01-242 40 39

### ZHONG HUA

Zähringerstrasse 24  
CH-8001 Zürich  
☎ 01-251 44 80 Fax 01-251 44 81

## TRAVEL

### CULTURE AIR TRAVEL S. A.

10a, rue Emile-Yung  
CH-1205 Genève  
☎ 022-839 81 81 Fax 022-839 81 80  
E-Mail: Cultureair@swissonline.ch

### FIRST TRAVEL ENTERPRISE

Winterthurer Strasse 698  
CH-8051 Zürich  
☎ 01-322 66 88, Fax 01-322 66 90  
E-Mail: victor@FTE.ch  
website: www.FTE.ch

## HOTELS

### HOTEL TIEFENAU ZURICH

Steinwiesstrasse 8  
CH-8032 Zürich  
☎ 01-1-267 87 87 Fax 01-251 24 76

*(For hotel-bookings in China (Beijing), please turn to the Chamber directly.)*